United Nations E/CN.3/2019/8

Economic and Social Council

Distr.: General
19 December 2018

Original: English

Statistical Commission
Fiftieth session
5–8 March 2019
Item 3 (f) of the provisional agenda*
Items for discussion and decision: national accounts

Report of the Intersecretariat Working Group on National Accounts

Note by the Secretary-General

In accordance with Economic and Social Council decision 2018/227 and past practices, the Secretary-General has the honour to transmit the report of the Intersecretariat Working Group on National Accounts, which is submitted to the Statistical Commission for discussion. In the report, the Working Group sets out progress made in addressing important conceptual issues, some of which may extend beyond the 2008 System of National Accounts (SNA), and provides a description of activities in support of Member States that are lagging behind. The Working Group also provides information on issues emerging from the implementation of SNA, in particular the outcome of the meeting of the Advisory Expert Group on National Accounts, progress with regard to the research agenda on practical issues concerning the implementation of the 2008 SNA and an update on the finalization of publications supporting the implementation of the 2008 SNA. It also contains the programme of work of the Working Group and of the regional commissions, an update on the scope and timeliness of the implementation of SNA at the country level and an update on the international coordination of regional and global data collection and data exchange activities. The Commission is invited to express its views and provide guidance on the elements of the programme of work of the Working Group.

Points for discussion by the Commission are contained in section VII of the report.

* E/CN.3/2019/1.

18-21818 (E) 020119

Please recycle

Report of the Intersecretariat Working Group on National Accounts

I. Introduction

1. At its forty-ninth session, held in New York from 6 to 9 March 2018, the Statistical Commission adopted decision 49/109 (see E/2018/24, chap. I.B), in which it:

(a) Welcomed the report of the Intersecretariat Working Group on National Accounts (E/CN.3/2018/10), expressed its appreciation for the activities undertaken by the members of the Working Group, the regional commissions, other regional organizations and countries to facilitate the implementation of the 2008 System of National Accounts (SNA) and supporting statistics, and endorsed the programmes of work for 2018 of the Working Group and the Advisory Expert Group on National Accounts;

(b) Welcomed the initiative of the Working Group to address important conceptual issues, some of which may extend beyond the 2008 SNA, and requested the Working Group to report to the Commission at its fiftieth session on progress in addressing issues related to globalization (including statistical units and factoryless goods producers), digitalization (including related price and productivity measures) and well-being and sustainability (within the scope of SNA), which are central to the global economy and the 2030 Agenda for Sustainable Development, and issues related to Islamic finance and the informal sector;

(c) Expressed concern at the relatively large number of Member States that are still unable to comply with the minimum required scope and detail of national accounts data, welcomed the initiative of the Working Group to step up its support to those Member States that are lagging behind, and urged those countries with a low level of compliance to develop basic source data for the compilation of national accounts that are policy-relevant and fit for purpose;

(d) Requested the Working Group to continue to issue practical guidance on issues that would facilitate the implementation of the 2008 SNA through manuals, handbooks and guidelines and the application of modern tools, approaches and technology for capacity-building (for example, e-learning) and communication tools to advance the understanding of national accounts by the general public;

(e) Noted the progress of the Statistical Data and Metadata Exchange (SDMX) data transmission mechanism for national accounts, and recognized that the implementation of the SDMX protocols by countries will facilitate data transmission and thereby significantly reduce the response burden in submitting data to international organizations.

2. In section II of the present report, progress made in addressing conceptual issues, some of which may extend beyond the 2008 SNA, is set out. Section III provides an overview of the progress of work on issues emerging from the implementation of SNA, in particular the outcome of the meeting of the Advisory Expert Group on National Accounts and an update on the finalization of publications supporting the implementation of the 2008 SNA and support provided to Member States that are lagging behind. In section IV, an overview is provided of the activities on national accounts and supporting statistics of the members of the Working Group and of the regional commissions. Section V contains an update of the scope and timeliness of the implementation of SNA at the country level. Progress on the coordination of data collection and data exchange activities is contained in section VI. Points for discussion are set out in section VII.

II. Development of the System of National Accounts

3. At its forty-ninth session, the Commission welcomed the proposed review of the relevance of the 2008 SNA for measuring new developments in the economy, as well as new socioeconomic phenomena and dimensions introduced in national and international policy frameworks, such as the 2030 Agenda for Sustainable Development.

4. The Working Group envisages a two-pronged approach to the review of the 2008 SNA in 2019: (a) undertaking technical research in prioritized and current national accounts issues; and (b) engaging in a broad consultation on the issues relating to the thematic areas of globalization, digitalization, well-being and sustainability.

Technical research

5. For the purpose of undertaking technical research, the Working Group has established a task force for the three priority areas of the SNA research agenda, taking into consideration current issues under discussion in the Advisory Expert Group on National Accounts, the list of issues presented in annex IV to the 2008 SNA and the research agendas related to balance of payments statistics, government finance statistics, environmental-economic accounting and trade and business statistics.

6. The specific objectives of the task force are:

(a) To analyse the various research agendas and propose a consolidated list of all issues, linked, where relevant, to the three priority areas;

(b) To analyse the feasibility of making progress in addressing the issues in the short to medium term (thereby identifying remaining issues for the longer term);

(c) To analyse the issues with regard to their potential impact on the current SNA (whether it concerns a clarification, interpretation or structural change and, if a structural change, how significant this would be);

(d) To analyse the issues with regard to their potential cost of implementation;

(e) To analyse the issues with regard to their potential impact on key SNA aggregates (for example, gross domestic product and gross national income).

7. The task force is focusing on technical issues, while strategic issues, including the form and road map for updating SNA, will be developed by the Working Group and informed by the work of the task force, with the objective of presenting a view on the way forward to the Commission.

8. The task force is expected to establish dedicated work streams, led by task force members, to analyse the three priority areas of research. It is expected that this work will be carried out in two phases in 2019. The first phase will be focused on the formulation of a consolidated list of issues by March 2019. The second phase will include an analysis of the research priorities so as to develop a way forward in updating the SNA, to be submitted for consideration by the Commission at its fifty-first session, in 2020.

9. A list of SNA research issues compiled by the task force, including issues relevant to balance of payments statistics, government finance statistics, environmental-economic accounting and trade and business statistics, was reviewed by the Advisory Expert Group on National Accounts at its twelfth meeting. The Advisory Expert Group reconfirmed the three priority areas for the research agenda, but also recognized that other relevant issues should also be considered. In addition, the Group recognized that within the three priority areas there are specific issues that need to be addressed first, which should be prioritized according to their relevance,

urgency and potential impact. These issues will be grouped into a limited number of work streams under each of the priority areas and guidance notes developed for each group of issues. The list of SNA research issues compiled by the task force is contained in annex I to the background document.

10. Taking into consideration guidance from the Advisory Expert Group, the task force will develop a general template for the guidance notes to ensure that all aspects of the full sequence of accounts are addressed. In particular, the guidance notes will clearly identify issues affecting the central system compared with those that would be addressed in supplementary tables or satellite accounts. The guidance notes will also assess implications for a future SNA update and the opportunities for harmonization with other domains. They will not only look at the conceptual implications, but will also address the feasibility of implementing the proposed conceptual solutions. It is expected that work on the guidance notes will commence in the second quarter of 2019.

11. The Advisory Expert Group stressed the importance of establishing coordination mechanisms for national accountants and experts from other domains, such as balance of payments statistics, government finance statistics, price statistics and business and trade statistics, and requested that the Working Group initiate the consultation with the relevant statistical expert groups.

Global user-centred consultation

12. The importance of involving a broad set of users in the discussion, including policymakers, academia and private sector representatives, was recognized by both the Working Group and the Advisory Expert Group.

13. To ensure that all countries benefit from improved national accounts standards, and notably from guidance on the priority areas, the Working Group will, during the course of 2019 and apart from the regular interaction of the Working Group organizations with their constituents, also consider the possibility of a global user conference to improve understanding of the impact of the three thematic areas. This consultation would include the users of national accounts (socioeconomic and environmental policymakers and decision-makers from government ministries, central banks, academia and the private sector) from both developed and developing countries, and would also seek to involve economic statisticians from other domains, such as business, trade and price statistics.

III. Guidance on issues emerging from the implementation of the System of National Accounts

A. Advisory Expert Group on National Accounts

14. The twelfth meeting of the Advisory Expert Group on National Accounts was held in Luxembourg from 27 to 29 November 2018. The main purpose of the meeting was to consider guidance on issues relating to the implementation of SNA and to review the SNA research agenda and establish a programme of work for resolving issues relating to globalization, digitalization and economic well-being and sustainability. Highlights of the meeting included an agreement on the way forward for advancing research on the priority areas, described in section II above, and a review of ongoing research on addressing globalization and digital economy issues and measures of well-being and sustainability, the harmonization of the compilation of national accounts and balance of payments statistics, understanding Islamic finance and the progress of the task force on statistical units. The Advisory Expert Group also

welcomed the progress of the task force on capacity-building for SNA, which is further discussed in section III.C below.

15. The conclusions of the meeting are provided in annex II to the background document and can also be accessed from the website of the Advisory Expert Group (https://unstats.un.org/unsd/nationalaccount/aeg/2018/M12_Conclusions.pdf).

B. Manuals and handbooks

16. The Working Group facilitates the development of guidance on the compilation of national accounts and supporting statistics in order to strengthen statistical capacity for compiling national accounts. Handbooks containing the guidance are available on the Working Group website (https://unstats.un.org/unsd/nationalaccount/pubsDB.asp?pType=4). The following handbooks were completed during 2018: *Report on Intellectual Property Products of the Joint Eurostat/OECD Task Force on Land and Other Non-financial Assets* (Organization for Economic Cooperation and Development (OECD)/Eurostat); *Handbook on the Compilation of Statistics on Illegal Economic Activities in National Accounts and Balance of Payments* (Eurostat); and Quarterly National Accounts Manual (International Monetary Fund). A detailed list of completed publications, publications in progress and planned publications is provided in section III of the background document.

C. Support to Member States that are lagging behind

17. The Working Group established a task force on capacity-building for SNA in 2018 to address the concerns of the Commission, expressed at its forty-ninth session, about the relatively large number of Member States that are still unable to comply with the minimum required scope and detail of national accounts data. The purpose of the task force is to support Member States in meeting the minimum requirements, targeting the least developed States, island States and fragile States with the aim of ensuring that "no country is left behind".

18. The task force aims to create a collaborative environment of trusted tools, methods, learning materials and partners for statistical capacity-building. Initial task force membership has consisted of representatives from Working Group organizations. In 2019, the membership will be expanded to include representatives from regional organizations and national statistical offices that are involved in international capacity-building efforts.

19. The Task Force commenced by taking stock of existing capacity-building efforts and tools of the current members. Results of the stocktake show that there is a wide range of activities involving a large number of countries. Each organization has also developed a set of resources, such as training materials, guidance notes and tools, to facilitate these capacity-building efforts.

20. It was agreed that the national accounts knowledge database of the Statistics Division of the Department of Economic and Social Affairs of the Secretariat would be expanded to include capacity development "tools" beyond the current catalogue of handbooks, for example, a catalogue of training materials, guidance notes and information technology tools, with support in principle for making those tools easily discoverable and accessible by sharing as much content as possible. This knowledge hub will be designed and structured with the "beginner" target audience in mind; in other words, it is set up for those beginning the process of compiling the accounts, leading users through a step-by-step process.

21. Once the knowledge hub has progressed, the task force will start filling gaps in the capacity development toolkit, with a focus on developing resources designed to support the least developed States and fragile States. In addition to the discussion on the stocktake and the development of the knowledge hub, the task force meetings will enable members to share information on new capacity-building initiatives and developments, providing an opportunity to improve coordination and collaboration between task force members.

IV. Work programmes of the members of the Intersecretariat Working Group on National Accounts and of the regional commissions

22. The Working Group and the regional commissions continue to support the implementation of SNA and other internationally agreed standards in economic statistics in accordance with the global implementation programme of the 2008 SNA and supporting statistics. As such, these activities cover various aspects of the statistical production process for national accounts as reflected in the various training workshops and seminars organized by the members of the Working Group and the regional commissions.

23. A summary of activities related to economic statistics and national accounts, undertaken in 2018 and to be undertaken in 2019, by the members of the Working Group and the regional commissions is provided in section IV of the background document.

V. Reporting of annual national accounts data

24. In accordance with the request of the Commission, the Statistics Division regularly evaluates the availability and scope of official national accounts data reported by Member States and their conceptual compliance with the recommendations of the 2008 SNA. Although the need for quarterly national accounts data to facilitate appropriate policy responses is recognized in the minimum required data set, the data are only available for 113 countries. For that reason, the evaluation is limited to the availability and scope of official annual national accounts data.

25. An analysis of replies to the United Nations national accounts questionnaire over the past 10 years indicates noticeable progress with regard to the reporting of national accounts data. The conceptual compliance of those data with either the 1993 or the 2008 SNA increased from 97 countries in 2007 to 181 countries in 2018, with 88 countries having implemented the 2008 SNA as at the end of 2018. The timeliness of reporting also improved, with 119 countries submitting data for the latest reporting year (2017) in 2018, while only 69 countries had been able to do so in 2007. Assessing the scope of national accounts data using the minimum required data set shows that countries reporting data in accordance with the data set increased from 50 in 2007 to 103 in 2018. However, there are still a relatively large number of Member States with outdated benchmark years and that do not comply with the minimum required scope and detail of national accounts data.

26. The assessment provided in section V of the background document is based on replies received to the United Nations national accounts questionnaire over the past five reporting periods (2013–2017).

VI. Coordination of data collection and data exchange activities

A. Institutional sector accounts

27. As noted in the previous report (E/CN.3/2018/10), the Group of 20 (G-20) Data Gaps Initiative has created a major momentum to improve the compilation of quarterly and annual data on institutional sector accounts. Countries continue to increase their efforts to compile the relevant data. In 2018, new data templates for the compilation and collection of institutional sector accounts were developed and endorsed by the G-20 economies. In addition to the main template with the core framework of sector accounts, in which a distinction is made between required items and encouraged items, there are two more templates, one for capturing from-whom-to-whom information showing the financial interconnectedness between sectors and countries, and another for monitoring shadow banking. The latter templates are part of the more advanced ambitions, requesting countries to provide information that is nationally available. In the course of 2019, the templates will be rolled out and discussed in forums beyond the G-20 economies.

28. After the two workshops held in Paris, from 10 to 12 April 2017 and from 14 to 16 February 2018, a third workshop will be held from 24 to 26 April 2019, again at OECD headquarters in Paris. The 2019 workshop will be focused on the drafting of an OECD guide on the compilation of institutional sector accounts. For this purpose, a survey on sources, methods and procedures used in compiling sector accounts at the national level has been initiated among the G-20 economies. The objective is to finalize the guide in the first half of 2020.

B. Statistical Data and Metadata Exchange

29. In order to streamline governance, the Ownership Group for SDMX in Macro-Economic Statistics and the Steering Group on International Data Cooperation have merged into a single group called the Ownership Group for International Data Cooperation and SDMX in Macro-Economic Statistics. The group has a dual mandate: to develop and maintain global data structure definitions for national accounts (including government finance statistics), balance of payments, foreign direct investment and consumer price indices; and to facilitate the exchange of data among international organizations. Data structure definitions for the System of Environmental-Economic Accounting will be released in 2019.

30. Continuous efforts are being made to extend the use of SDMX in the area of macroeconomic statistics. Therefore, the focus has turned to further promoting the actual use of these structures. Although expertise is growing and SDMX is picking up momentum in many regions, there is still a noticeable gap in capacity-building. More work is needed to better target domain and information technology experts in countries. The OECD SDMX Expert Group has started to work on a more streamlined capacity-building strategy, including train-the-trainers material, to boost outreach and foster sharing of knowledge and experience, including among experts.

31. The international data cooperation project is showing good progress. The first shared data set on gross domestic product, population and employment has been disseminated since 2015. Data sets on non-financial and financial sector accounts were added in 2018. Work has been initiated to share data on balance of payments. The final objectives of the initiative are to reduce the reporting burden for national institutions and to lower the data validation burden at the international level by simplifying data reporting from national to international organizations.

32. Section VI of the background document provides more information on statistical data and metadata exchange.

VII. Points for discussion

33. **The Commission is invited to express its views on the following:**

(a) **The approach and timetable (see para. 8 above) towards advancing the research agenda, in particular on current issues of the three priority areas, namely, globalization; digitalization; and well-being and sustainability;**

(b) **A global user-centred consultation on the development of SNA as a conceptual framework relevant for measuring new developments in the economy as well as new socioeconomic phenomena;**

(c) **The set of specific initiatives to support Member States that are lagging behind in the implementation of SNA;**

(d) **The activities of the work programmes of the Intersecretariat Working Group on National Accounts and of the regional commissions to provide guidance, training and support for the implementation of SNA;**

(e) **Reporting of annual national accounts data, including the changeover to the 2008 SNA;**

(f) **Progress in the international coordination of data collection and data exchange activities.**

Report of the International Monetary Fund on the review of the Inter-Agency Task Force on Finance Statistics and its substructures

I. Background

1. The mandate of the Inter-Agency Task Force on Finance Statistics is as follows:

(a) To set methodological standards for statistics on external debt and public sector debt;

(b) To promote data availability on financial stocks, in particular external debt and public sector debt;

(c) To encourage internationally accepted statistical practices to enhance data quality;

(d) To foster inter-agency collaboration for statistical capacity-building.

2. In 1998, in the wake of the financial crises of the mid-1990s, the mandate of the Task Force was broadened to include the coordination of work to improve the methodological soundness, transparency, timeliness and availability of data on external debt and international reserves. The Task Force meets annually, either in Washington, D.C. or in Europe, at the headquarters of one of its members. It reports every three years to the Statistical Commission and annually to the Committee on Balance of Payments Statistics of the International Monetary Fund (IMF).

3. The current members of the Task Force are the Bank for International Settlements, the Commonwealth Secretariat, the European Central Bank, Eurostat, IMF, the Organization for Economic Cooperation and Development, the Paris Club secretariat, the United Nations Conference on Trade and Development and the World Bank. It is chaired by the Statistics Department of IMF.

4. The Task Force has been in existence since 1992, under the auspices of the Commission, to take stock of the activities of the international organizations involved in finance statistics and to make recommendations aimed at streamlining their work, in particular to avoid duplication of activities. After more than two decades, it was deemed appropriate to review the relevance of the purpose and existence of the Task Force, based on the following premises:

(a) Some elements of the work of the Task Force have drawn to a successful conclusion. Examples include the publication of the latest *External Debt Statistics Guide for Compilers and Users* and the *Public Sector Debt Statistics Guide for Compilers and Users*, as well as the establishment of the Quarterly External Debt Statistics Database and the Quarterly Public Sector Debt Statistics Database;

(b) Other global committees, such as the IMF Committee on Balance of Payments Statistics and Government Finance Statistics Advisory Committee, the Intersecretariat Working Group on National Accounts and the Advisory Expert Group on National Accounts, are in place and can play a leading role in the two areas of responsibility of the Task Force, namely, external debt and public sector debt. Therefore, there is a need to rationalize, create synergies and ensure effective and efficient international cooperation;

(c) Three substructures also exist under the Task Force, namely, the External Debt Statistics Working Group, the Public Sector Debt Statistics Working Group and the Country Engagement Group, which is a subgroup of the Public Sector Debt Statistics Working Group;

(d) The composition of members in the four bodies is largely the same;

(e) The long lifespan of the Task Force and the addition of its three substructures has called into question its overall organizational setting and efficiency, including whether it functions as a task force, an oversight body or a group of experts working on a series of specific tasks;

(f) The past successes of the Task Force notwithstanding, the following substantial doubts have become evident:

(i) In recent years, the actual methodological work of the Task Force has levelled off;

(ii) The members of the Task Force and its three subgroups are basically the same;

(iii) The overall structure of the Task Force is considered too top-heavy;

(g) Given those doubts, a rationalization of the overall structure should be conducted and efforts should be made to find a consolidated and slimmer structure to serve adequately the two related statistical data sets.

II. Issues to be addressed

5. In considering the closure of the Task Force, it is important to reflect on the following activities that will need to be maintained by any new structure:

(a) Developing methods, standards and guidance on both external and public sector debt statistics that conform to the System of National Accounts (SNA) and balance of payments and government finance statistics standards, as required, to ensure that those products remain relevant to policymakers and other users;

(b) Ensuring that efforts to improve capabilities in countries with low capacity for producing debt statistics are maintained by the relevant international agencies;

(c) Ensuring that roles and responsibilities in the collection and compilation of debt statistics as meaningful global indicators are managed and maintained in such a way as to minimize the response burden of national-level statistics compilers.

6. Work in those three areas must be done in accordance with best practices for establishing global statistical standards and products. In addition, the structure would have to promote the idea that any output produced will have to be implemented on a practical basis by countries.

III. Way forward

7. Methodological issues, which are currently discussed within the Task Force, could be addressed by the Intersecretariat Working Group on National Accounts, the Committee on Balance of Payments Statistics and the Government Finance Statistics Advisory Committee. However, the current remit of those three bodies does not generally extend to the areas of data management and capacity-building, which are also currently covered by the Task Force.

8. It is proposed that a new operational body, focused on data management issues, called the inter-agency working group on debt statistics take over the non-methodological responsibilities of the Task Force and the data management work

of its three substructures.[1] The working group would primarily discuss and decide upon matters related to data management and capacity-building.

9. In accordance with established procedures, the Task Force reports to the Commission. That practice could be maintained through regular reporting of the new working group, on a biennial basis, to the Intersecretariat Working Group on National Accounts and other relevant stakeholders, in particular the Committee on Balance of Payments Statistics and the Government Finance Statistics Advisory Committee. The Chair of the Task Force has informed those three bodies and has received positive feedback from them. Subsequently, it was decided that the proposed new structure would be submitted to the Commission (see annex).

10. The Intersecretariat Working Group on National Accounts, the Committee on Balance of Payments Statistics and the Government Finance Statistics Advisory Committee would be the high-level committees that would advise on methodological standards and guidance on debt statistics at the request of the new working group.

11. If and when the new working group deemed it necessary, any recommendations or suggestions on methodological issues relating to external debt statistics would be addressed to the Committee on Balance of Payments Statistics, while those relating to public sector debt statistics would be addressed to the Intersecretariat Working Group on National Accounts and/or the Government Finance Statistics Advisory Committee.

12. The advantage of this proposal is that it addresses the joint concerns of having too many bodies with a similar composition reporting on similar items and of ensuring that necessary work items are carried over from the Task Force's remit. The creation of a working group of this nature, rather than the complex configuration of the Task Force and its substructures, is deemed to be the most appropriate way to ensure that there is an international group ready to address debt issues as they arise. The proposed new structure would also best satisfy the ongoing requirement of working with others in the global financial statistics community.

13. It is proposed that the new working group organize videoconferences twice a year. Physical meetings are not expected to be conducted, but could be organized on an ad hoc basis, if deemed necessary. With regard to the governance structure, it is proposed that the new body have a rotating chairmanship, so that each member act as Chair for a period of two years, with the position being handed over from one organization to the next at the end of the current period. The institution acting as Chair will also serve as the secretariat on the same basis.

IV. Other issues to consider

14. It is also recommended that the work of the Task Force be put on hold until it has been determined that the new simplified structure and the migration of the programme of work of the Task Force have been successful.

15. Any existing matters related to the debt statistics database discussed within the Task Force (for example, the Joint External Debt Hub) would be part of the programme of work of the new working group.

[1] At the present stage, IMF proposes to freeze the work of the Task Force, allowing for an interim period for the proposed working group to be established. Once that is done, the Task Force could be formally closed down. The membership of the Task Force should be included in the new working group.

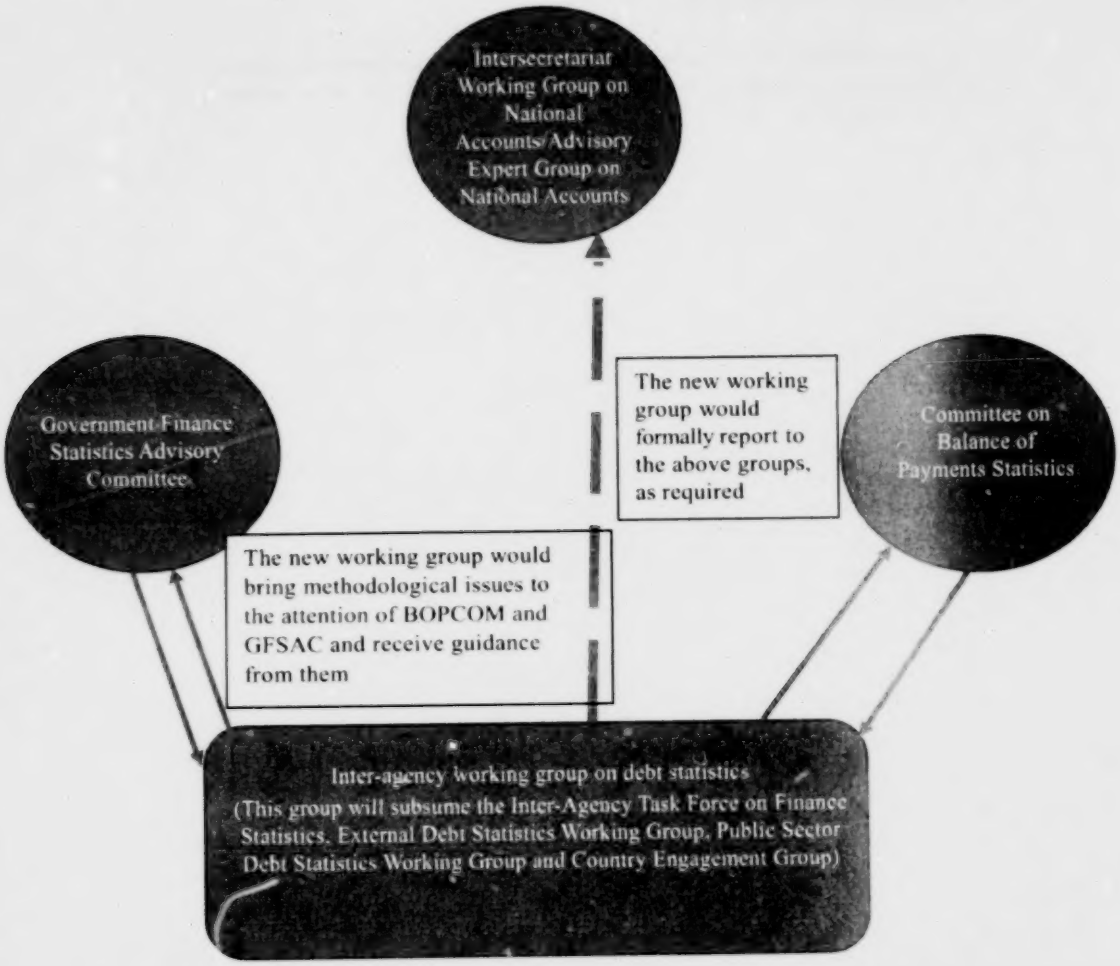
16. The proposed working group should continue to adopt a collaborative approach through which different agencies mutually support training activities on debt statistics.

V. Points for discussion

17. **The Commission is invited to express its views and provide guidance on the proposed new simplified structure and migration of the work programme on finance statistics.**

Annex

Proposed new structure of the work programme on finance statistics


Intersecretariat Working Group on National Accounts/Advisory Expert Group on National Accounts
Government Finance Statistics Advisory Committee
The new working group would formally report to the above groups, as required
Committee on Balance of Payments Statistics
The new working group would bring methodological issues to the attention of BOPCOM and GFSAC and receive guidance from them
Inter-agency working group on debt statistics
(This group will subsume the Inter-Agency Task Force on Finance Statistics, External Debt Statistics Working Group, Public Sector Debt Statistics Working Group and Country Engagement Group)

United Nations E/CN.3/2019/10

Economic and Social Council

Distr.: General
19 December 2018

Original: English

Statistical Commission
Fiftieth session
5–8 March 2019
Item 3(h) of the provisional agenda*
Items for discussion and decision: international trade and business statistics

Report of the Expert Group on International Trade and Economic Globalization Statistics

Note by the Secretary-General

In accordance with Economic and Social Council decision 2018/227 and past practices, the Secretary-General has the honour to transmit the report of the Expert Group on International Trade and Economic Globalization Statistics. The report summarizes the progress made towards the development of a handbook on accounting for global value chains, which presents a global value chain satellite account through a system of extended national accounts and integrated business statistics from the perspective of the national statistical system. Prepared at the request of the Statistical Commission in 2015 at its forty-sixth session, the handbook will provide a measurement framework for international trade and economic globalization. The present report also sets out a proposal for a high-level group on economic statistics and a related user-centred consultation mechanism through a United Nations global forum on economic statistics. As proposed, the mechanism would serve the Commission in the management and coordination of global economic statistics programmes and provide support to the Commission in response to emerging user demands. The Commission is invited to consider the points for discussion presented in the final section of the report.

* E/CN.3/2019/1.

18-21583 (E) 090119

Please recycle

Report of the Expert Group on International Trade and Economic Globalization Statistics

I. Introduction

1. By its decision 46/107, the Statistical Commission established the Expert Group on International Trade and Economic Globalization Statistics and tasked it with preparing a handbook on a system of extended national accounts and integrated business statistics to address the challenges that globalization and emerging complex production arrangements pose to compiling macroeconomic and business statistics, including the supporting business registers (see E/2015/24, chap. I.C). The Commission expressed the view that the handbook should build on existing work in this area, in particular the work undertaken under the auspices of the Economic Commission for Europe (ECE), the Organization for Economic Cooperation and Development (OECD) and the Statistical Office of the European Union (Eurostat), and should address issues in linking business-related microdata to trade statistics. At its forty-eighth session, in March 2017, the Commission took note of the report of the Expert Group, which provided information on progress made in the preparation of the handbook, with a view to properly accounting for global value chains while maintaining the perspective of the national statistical system.

2. At its forty-sixth session, the Commission also agreed to establish an intersecretariat working group for international trade and economic globalization statistics, with the request that it develop a mandate covering coordination, data and capacity-building. The Expert Group took forward the request of the Commission.

3. Section II of the present report provides an overview and revised outline of the handbook. Section III presents a proposal for a United Nations high-level group on economic statistics, supported by a biennial United Nations global forum on economic statistics, for which it is proposed to establish a Friends of the Chair group on economic statistics to work out the details of the high-level group's mandate and governance.

II. Handbook on accounting for global value chains

4. The Expert Group held two meetings in New York in 2016, a meeting in Luxembourg in 2017 and a meeting in Rome in 2018 devoted to the preparation of the handbook. The first meeting was held from 26 to 28 January 2016, at which the terms of reference of the Group, as well as its programme of work, were discussed. The outcome of the meeting was provided in a background document to the report of the Secretary-General to the Commission at its forty-seventh session (E/CN.3/2016/23). The second meeting was held from 29 November to 1 December 2016. The Expert Group reaffirmed that growth in economic globalization and the fragmentation of production called for an enlarged set of economic accounts and business statistics that could provide accurate, timely and relevant macroeconomic and business statistics from a global value chain perspective. The Expert Group discussed the first draft of the handbook at its third meeting, held from 6 to 8 June 2017, and a revised version at the fourth meeting, held from 7 to 9 May 2018.

A. Objectives of the handbook

5. The global economy is increasingly structured around global value chains that account for a sizable share of international trade, global gross domestic product and employment in both developed and developing countries. The evolution of global value chains in diverse industries, such as agrifood, textiles and apparel, automotive,

electronics, tourism and business services, has significant implications for cross-border trade, production and employment arrangements. Global value chains link firms, workers and consumers around the world and often provide a stepping stone for firms and workers in developing countries to participate in the global economy. For many countries, especially low-income countries, the ability to effectively integrate into global value chains, and eventually upgrade their position therein, is a vital condition for economic development. That supposes an ability to access global value chains, to compete successfully and to "capture the gains" in terms of national economic development, capacity-building and the generation of more and better jobs to reduce unemployment and poverty. Thus, it is not only a matter of whether to participate in the global economy, but also how to do so gainfully.

6. The handbook presents a global value chain satellite account approach through a system of extended national accounts and integrated business statistics from the perspective of the national statistical system. As such, the handbook provides a measurement framework for international trade and economic globalization, as requested by the Commission in 2015 at its forty-sixth session. More specifically, the handbook provides a national perspective on globalization on the basis of a global value chain model that describes the regionally-integrated decomposition of industry-specific global value chains in a multi-country supply chain of goods, services and institutional arrangements. Doing so allows for an integrated presentation of production, income, assets and liabilities by partner country for those global value chain industries that play a significant role in the national economy, resulting in global value chain-specific, multi-country supply and use tables and related institutional sector accounts. By explicitly taking into account the increasing importance of global value chains, global value chain satellite accounts as presented in the handbook will better inform public policies and business decisions on issues related to, for example, growth and productivity, domestic and foreign share of the value-added generated, trade policy, domestic and foreign labour and capital used in the production of goods and services.

7. The handbook provides a high-level overview of how economic statistics can be made more accurate and relevant in measuring the effects of globalization in national accounts, business and trade statistics. It builds on existing standards, guidelines and research, gives an overview of them and directs the reader to the more detailed compendium of background materials and glossary of terms. It will also be helpful to a wide range of compilers in offering alternative solutions, such as microdata linking, data exchange and sharing, indirect estimates using existing data and the use of mixed data for the compilation of global value chain satellite accounts. The handbook also makes clear that, within the overall framework, countries can flexibly (in a modular fashion) implement the satellite accounting approach in accordance with their national priorities for entering or upgrading their role in industry-specific global value chains. Duplication is avoided as much as possible across the various parts of the handbook, while self-contained sections and annexes on the various aspects of macroeconomic accounting and business statistics are provided.

B. Revised outline of the handbook

8. The final draft of the revised handbook contains the following five parts:

(a) "Accounting for global value chains", which defines global value chains and lays out in what ways existing economic statistics are not suited for measuring global value chains, as well as the policy needs that global value chain accounting can address;

(b) "Global value chain satellite accounts", which includes descriptions of how to define the industrial and geographical boundaries of a global value chain,

classifications, required data and data sources, global value chain-specific national and multi-country supply and use tables, and global value chain-specific national and multi-country institutional sector accounts;

(c) "Integrated business statistics", which provides definitions for business lines and business functions, elaborates on profiling large multinational enterprises, and emphasizes the importance of business registers and global registers and of resolving data inconsistencies in basic economic statistics (e.g., bilateral trade asymmetries);

(d) "Global value chain analysis and policy framework", which demonstrates in-depth how global value chain accounting and resulting data can be used to address specific policy questions;

(e) "Annex", which covers various topics in more detail, including the relationship between global value chain satellite accounts and extended supply and use tables, the data framework of multi-country supply and use tables and input-output tables, empirical challenges in compiling global value chain accounts (such as estimating for missing data) and other conceptual accounting topics (such as factoryless goods production and transactions in intellectual property products).

9. The first part of the handbook documents the policy, business and statistical motivation for the global value chain approach to measuring trade and globalization. It discusses the key measurement issues related to globalization, including the allocation of domestic and foreign value-added share by country, double-counting, bilateral asymmetries and the need for a national perspective on the multi-country production processes of multinational enterprises and global value chains.

10. The second part of the handbook defines global value chains and presents the conceptual framework for global value chain accounting. Details and explanations are provided regarding a number of efforts that have been made in recent years to develop a better understanding of global value chains, including those related to the development of global or regional supply and use tables and input-output tables. Examples in that regard include the trade in value-added database of OECD and the World Trade Organization, the tables provided by the Eurostat project "Full International and Global Accounts for Research in Input-Output Analysis", the World Input-Output Database, and the APEC and the North American trade in value-added initiatives. However, because of the sheer volume of data involved, such tables typically provide only a relatively aggregated view of global value chains, and, moreover, are generally only able to provide a view of global value chains that reflects the generation of value-added in a value chain on the basis of the activity classification of the firms involved in the chain. While significant efforts are being made to improve the quality of current trade in value-added estimates by better capturing the underlying heterogeneity within activities – for example, by focusing on exporting firms and their size and ownership – the Expert Group notes that it will be some time before most countries are able to develop extended supply and use tables and it will take them even longer to develop extended global input-output tables. Therefore, a complementary approach, and the focus of the handbook, is the development of global value chain satellite accounts and associated institutional sector accounts that focus on a specific product or group of products produced within a global value chain among a group of key partner countries.

11. The second part of the handbook lays out the concepts and data needed to compile global value chain satellite accounts. More specifically, it defines the governance structures of global value chains and provides guidance on determining the geographic boundary of global value chain-specific, multi-country supply and use tables; classifying and mapping the relevant business functions, participating firms and products produced in the global value chain; and integrating the global value chain characteristics into multi-country supply and use tables, following exactly the same

principles as those that underpin the development of extended supply and use tables and their integration into multi-country supply and use tables and input-output tables. In addition, the second part of the handbook provides a framework for compiling global value chain-specific, multi-country institutional sector accounts and an extended productivity framework using the "KLEMS" model. The institutional sector extension builds on and links to the work conducted in the Data Gaps Initiative of the Group of 20 on cross-border financial linkages, risks and vulnerability. The extended capital and financial accounts also addresses conceptual issues with respect to multinational enterprises, given that those enterprises are the leading actors in globalization.

12. The third part of the handbook deals with a framework for integrated business, trade and investment statistics for global value chain satellite accounting. The global enterprise perspective is presented first, with the aim of better understanding the business models and business accounting schemes concretely adopted by global enterprises in their day-to-day activities. That is followed by a presentation of the classifications of business lines and business functions and the various types of surveys used to collect information on business functions. It further discusses the need to link and exchange microdata in order to compile global value chain satellite accounts and more fully understand the global activities of multinational enterprises. The third part also contains country and regional examples. It also touches on the reconciliation of bilateral trade asymmetries and efforts to build a global enterprise groups register.

13. The fourth part of the handbook presents the global value chain policy and analytical framework, including the implications for trade policy, the imposition of tariffs and the negotiation of trade agreements; economic development policy, including global value chain upgrading; tax policy; financial regulation; macroeconomic policy; and the impact on labour markets and welfare. This part of the handbook provides numerous country examples.

14. The fifth part of the handbook includes annexes on the relationship between global value chain satellite accounts and the extended supply and use tables, the data framework of multi-country supply and use tables and input-output tables, empirical challenges in compiling global value chain satellite accounts and conceptual accounting topics. Specifically, the empirical challenges discussed include estimating for missing countries in the global value chain satellite account framework; overcoming national data inconsistencies between national accounts and trade statistics; reconciling bilateral trade asymmetries; harmonizing classifications; and international cooperation on data sources and methodologies, among others. The conceptual accounting topics include those not resolved under the research agenda of the ECE "Guide to measuring global production", such as accounting for factoryless goods producers and transactions in intellectual property products.

15. The Expert Group further proposes to post online the original draft chapters of the handbook, originally authored by the members of the Expert Group, in the form of a compendium with a view to providing further reference material on certain topics that are addressed in greater detail in those original chapters.

16. The handbook includes a glossary of terms. Specifically, it defines 97 terms, drawing from existing international standards and manuals (e.g., the *System of National Accounts 2008*,[1] the sixth edition of the *Balance of Payments and International Investment Position Manual*,[2] and *International Merchandise Trade Statistics: Concepts and Definitions 2010*,[3]) whenever possible.

[1] United Nations publication, Sales No. E.08.XVII.29.
[2] International Monetary Fund (Washington, D.C., 2009).
[3] United Nations publication, Sales No. E.10.XVII.13.

III. Progress made

17. Members of the Expert Group prepared draft chapters of the handbook in May 2017, which were finalized in September 2017 and subsequently reviewed by the Expert Group. The editor of the handbook, the Chair of the Expert Group, and the secretariat, the Statistics Division, prepared revised versions of those chapters in May 2018, which were made publicly available on the website of the Division and were discussed by the Expert Group in a face-to-face meeting in Rome in May 2018.

18. The handbook underwent further revisions, on the basis of comments from the Expert Group. The final version of the handbook will be reviewed by the Expert Group in December 2018 and finalized by the editorial board in January 2019. It will be circulated for global consultation in January and February 2019.

19. Subject to the final review and decision of the Expert Group, the "Handbook on accounting for global value chains: global value chain satellite accounts and integrated business statistics" will be presented as a background document to the fiftieth session of the Statistical Commission in March 2019. The original draft chapters and other research material, which provide more detail on certain topics, will be posted online as a compendium to the handbook to provide further reference material. Following completion of the handbook, it is proposed that the Expert Group be dissolved.

IV. United Nations high-level group on economic statistics

20. At its thirty-ninth session, in 2008, the Statistical Commission recognized the importance of increasing the coherence of basic economic statistics for enhancing the quality and analytical value of both basic economic statistics and macroeconomic statistics. That recognition subsequently led to several initiatives, such as the development of the Guidelines on Integrated Economic Statistics.[4] At its forty-fourth session, in 2013, the Statistical Commission created the Friends of Chair group on the measurement of international trade and economic globalization, which subsequently became the Expert Group on International Trade and Economic Globalization Statistics in 2015. Its terms of reference included the explicit request to propose an appropriate mechanism for the coordination of work in that domain of economic statistics.

21. The transformative agenda for official statistics, launched by the Statistical Commission in 2015 at its forty-sixth session, emphasized the strategic necessity of transforming national statistical systems and strengthening coordination mechanisms across global, regional and national levels. The agenda responds not only to regular requests for sound official statistics, but also to emerging needs, such as those arising from the 2030 Agenda for Sustainable Development. Those emerging needs call for the integration of data on persons, businesses and locations from survey, administrative and big-data sources. The data integration should meet the new demand for insights into the interrelated dynamics that govern the impact of economic, industrial and business performance on communities, families and persons and their use of the environment and natural resources.

22. These and other initiatives of the Statistical Commission and the United Nations more broadly culminated in the Cape Town Global Action Plan for Sustainable Development Data,[5] which was adopted by the Statistical Commission in March 2017 at its forty-eighth session. Pursuant to the Action Plan, the international statistical community is called upon to take action in the strategic area of modernizing and

[4] United Nations publication, Sales No. E.12.XVII.7.

[5] Available at https://unstats.un.org/sdgs/hlg/Cape-Town-Global-Action-Plan/.

strengthening national statistical systems, with a focus on modernizing the governance and institutional framework; applying statistical standards and new and secure data architecture for data sharing, exchange and dissemination; building multi-stakeholder partnerships for sustainable development data; and facilitating the use of new technology and new data sources in statistical production processes.

23. For the fiftieth session of the Commission, numerous reports are being prepared by various statistical entities, including the Expert Group, on various domains of economic statistics that can be broadly grouped in national accounts, business and trade, and prices. The reports refer to the need for fundamental research on the conceptual framework of economic statistics, the use of new (big) data, data sharing and exchange arrangements between countries, and the emerging role of regional and international agencies in maintaining global enterprise group registers. The reports also clearly point out that those needs have arisen in response to national and international policy frameworks, including the 2030 Agenda and those of the Group of 20 with respect to development, health, education, employment, the digital economy, agriculture, energy, trade and investment, and finance. A comprehensive programmatic review of all domains of economic statistics and statistical activities seems necessary under the umbrella of the conceptual framework of the System of National Accounts. To that end, there will also be a need to discuss arrangements for an institutional mechanism that could ensure the coherence and analytical value of both basic economic statistics and macroeconomic statistics.

24. Against this background, the creation of a high-level group on economic statistics has been proposed, with a view to building on existing internationally agreed initiatives and providing a major impetus in the strategic areas of economic statistics in the Action Plan, including the strengthening of basic statistics and their data integration.

A. Purpose and objectives

25. The purpose of the high-level group on economic statistics would be to serve as an advisory group to assist the Statistical Commission in responding efficiently and innovatively to emerging issues in economic activity with a coherent global programme on economic statistics across the programmatic elements of the Action Plan relating to sustainable development data.

26. The objectives of the high-level group on economic statistics[6] are to advise the Statistical Commission on, inter alia, strategic multi-year programming for a sustainable system of integrated economic statistics and promoting a current, unified, user-centred and innovative system of economic statistics. It will, therefore, bridge the user and technical communities and prioritize and coordinate the needs of users, serving as input for other domain-specific groups. It is proposed that a United Nations global forum on economic statistics support the high-level group and offer a user-centred consultative process and mechanism. Such a global forum should bring together the main professional groups and stakeholders from the public and private sectors from all parts of the world, including statisticians, economists, policy analysts, academics, data suppliers and other data users.

27. The high-level group on economic statistics is expected to undertake regular technical reviews and identify priority areas among emerging issues and thematic areas of regional and international economic policy frameworks. On the basis of those regular assessments, it will make recommendations to the Statistical Commission on economic statistics and their integration into the production and organization of

[6] See the list of domains for integrated economic statistics annexed to the Guidelines on Integrated Economic Statistics.

statistics with respect to global coordination, advancement of methods, access to and use of data and technology, institutional development and capacity-building, and prepare multi-year programmes to support their implementation at the national, regional and international levels.

B. Friends of the Chair

28. It is proposed to create a Friends of the Chair group on economic statistics to prepare: (a) the mandate and governance of the high-level group on economic statistics; (b) the agenda and modalities of the United Nations global forum on economic statistics; and (c) a multi-year programme of work on economic statistics, for the consideration of the Statistical Commission in March 2020 at its fifty-first session. With respect to the mandate and governance of the high-level group, the Friends of the Chair will advise on the composition and structure of the high-level group and its programme of work. More specifically, it should reflect on the composition of the high-level group by considering regional representation and existing regional mechanisms to ensure equitable regional representation, the interests of users of statistics and technical expertise. Considering the strategic purpose and objectives of the high-level group, it would be appropriate to include high-level representation of the major users of and stakeholders in economic statistics.

29. Furthermore, it is proposed that the Friends of the Chair group consult widely through meetings with regional and international bodies and agencies, including the regional commissions. To determine its programme of work in 2019, the Friends of the Chair group will organize a meeting in April or May 2019 at United Nations Headquarters to review the main emerging issues and new thematic areas in economic statistics and determine a roadmap for regional and international consultations, including the first United Nations global forum on economic statistics, in 2019.

V. Points for discussion

30. **The Statistical Commission is invited:**

(a) **To take note of the "Handbook on accounting for global value chains: satellite accounts and integrated business statistics" and the activities of the Expert Group and to encourage countries to use the global value chain satellite accounts in their compilation and dissemination of economic statistics;**

(b) **To thank the Expert Group for its work and dissolve the Group;**

(c) ***To endorse the proposal for the establishment*** **of a high-level group on economic statistics and a related user-centred consultation mechanism through a United Nations global forum on economic statistics, and for the proposed Friends of the Chair group on economic statistics to report back to the Commission in 2019 on the mandate and governance of the high-level group, the agenda and modalities of the global forum, and the multi-year programme of work on economic statistics for the Commission.**

United Nations E/CN.3/2019/11

Economic and Social Council

Distr.: General
19 December 2018

Original: English

Statistical Commission
Fiftieth session
5–8 March 2019
Item 3 (h) of the provisional agenda*
Items for discussion and decision: international trade and business statistics

Joint report of the Wiesbaden Group on Business Registers, the Committee of Experts on Business and Trade Statistics and the Inter-Agency Task Force on International Trade Statistics

Note by the Secretary-General

In accordance with Economic and Social Council decision 2018/227 and past practices, the Secretary-General has the honour to transmit the joint report of the Wiesbaden Group on Business Registers, the Committee of Experts on Business and Trade Statistics and the Inter-Agency Task Force on International Trade Statistics. The report summarizes recent developments regarding the work of the Wiesbaden Group, as presented at its twenty-sixth meeting, held in Switzerland in September 2018, and its future areas of work. In accordance with a request of the Statistical Commission at its forty-eighth session, the report also contains the programme of work and the mandate and governance of the Committee of Experts on Business and Trade Statistics, based on the outcome of its first meeting in Mexico in 2018, organized by the Statistics Division of the Department of Economic and Social Affairs of the Secretariat. The report also contains information about work on the International Classification of Non-Tariff Measures, which was prepared by the United Nations Conference on Trade and Development and endorsed by the Expert Group on International Statistical Classifications, and on the work of the Inter-Agency Task Force on International Trade Statistics. The Statistical Commission is invited to consider the points for discussion outlined in section VI of the report.

* E/CN.3/2019/1.

18-21838 (E) 030119

Please recycle

Joint report of the Wiesbaden Group on Business Registers, the Committee of Experts on Business and Trade Statistics and the Inter-Agency Task Force on International Trade Statistics

I. Introduction

1. In its resolution 48/114, adopted at its forty-eighth session in March 2017, the Statistical Commission:

(a) Welcomed the report of the Wiesbaden Group on Business Registers and congratulated the Wiesbaden Group on the progress made on a number of emerging issues;

(b) Reiterated the importance of business registers and underlined the need for capacity-building activities in this area for developing countries;

(c) Endorsed the proposal to establish United Nations guidelines for statistical business registers based on existing guidelines, notably the *Guidelines for Statistical Business Registers* of the Economic Commission for Europe, and taking into account the needs of countries with less developed statistical systems by incorporating practical guidance and country cases applicable to a broad range of statistical systems;

(d) Requested the creation of a committee of experts with balanced geographical representation and with terms of reference to prepare the guidelines for statistical business registers and give guidance on issues of business and basic economic statistics, taking into account the use of administrative data, the choice of statistical units in the context of globalization and issues related to a large informal sector;

(e) Endorsed the updated terms of reference of the Wiesbaden Group.

2. The present report contains a summary of recent developments regarding the work of the Wiesbaden Group on Business Registers (sect. II); the programme of work and the mandate and governance of the Committee of Experts on Business and Trade Statistics, based on the outcome of its first meeting, held in Mexico in May 2018, organized by the Statistics Division of the Department of Economic and Social Affairs of the Secretariat, and the proposed United Nations guidelines for statistical business registers (sect. III); the work on International Classification of Non-Tariff Measures, which was prepared by the United Nations Conference on Trade and Development (sect. IV); and an update of the work of the Inter-Agency Task Force on International Trade Statistics (sect. V). Points for discussion are presented in section VI.

II. Twenty-sixth meeting of the Wiesbaden Group on Business Registers

3. The Wiesbaden Group on Business Registers[1] is a city group under the United Nations Statistical Commission, which provides a forum to exchange views and experiences in the development, maintenance and use of statistical business registers, including conceptual and methodological issues and good practices related to the

[1] Additional information on the Wiesbaden Group can be found in the report of the Statistical Commission on its forty-eighth session (E/2017/24-E/CN.3/2017/35) and on the website of the Wiesbaden Group (https://unstats.un.org/wiesbadengroup/).

registers, which are important instruments for the compilation of high quality economic statistics.

4. The twenty-sixth meeting of the Wiesbaden Group on Business Registers took place in Neuchâtel, Switzerland, from 24 to 27 September 2018 (see http://www.wiesbaden2018.bfs.admin.ch/). The meeting, hosted by the Swiss Federal Statistical Office, gathered over 100 participants from 50 countries and 7 international organizations; live streaming of the meeting was available, allowing interested parties to follow the event remotely. Country progress reports, as well as reports from the European Central Bank and the European Union, were presented, followed by seven thematic sessions. The country progress reports provided an opportunity for experts in the field of statistical business records from around the world to exchange up-to-date information on their ongoing and planned projects aimed at improving the construction, maintenance and use of business registers. A summary of the thematic sessions is given below.

A. Thematic sessions

5. **Innovation in statistical business registers**: the increasing demands of society for economic information, especially on emerging issues, combined with limited resources, technological advancements and economic globalization, have motivated national statistical offices to introduce innovations in the production of economic statistics. New initiatives include: mapping of statistical business registers along with other administrative data through the use of application programming interfaces developed by Google; increasing response rates, based on knowledge acquisition; providing consistent and coherent information through a single national statistical business register; and adapting existing registers to new models, based on new technology. A constant in these four projects was the use of information technologies, the evolution of which has enabled the performance of tasks that were previously considered unthinkable.

6. **Integrated statistical register systems**: the statistical community is engaged in the question of how statistical business registers can become part of integrated systems, thus maximizing their use as assets for national statistical offices. Statistical business registers can be used to link multiple sources of data, opening up avenues to address a broad range of policy questions. Such a change in approach could lead to a wider view of the registers, not only as tools for the development of sampling frames but also as a basis for the production of statistical outputs taken directly from the registers themselves. Sample countries with integrated statistical business registers include: Canada, where Statistics Canada has integrated its register on business statistics with property and people registers; and the Netherlands, where the national register has enabled greater integration through a virtual data lake. Integrated register systems also allow for the better coordination of surveys and in-depth analysis of specific characteristics of entrepreneurs engaged in international trade.

7. **Administrative data**: Modern statistical business registers are based on legal units derived from administrative sources, such as national trade registers or tax administration systems. However, national governmental bodies also maintain numerous other kinds of administrative records that can be useful in the production of economic statistics and improvement of the timeliness, coverage and quality of statistical business registers. By acquiring access to administrative records, and by understanding and exploiting their content, a strengthened backbone role for the registers can be achieved. In this regard, gaining access to administrative data is needed, and can be improved through better communication and cooperation with administrative data suppliers.

8. The generic statistical business register of Lesotho was presented as a model: the system has proven successful in bringing about the faster adoption of statistical concepts, structures and tools to improve the quality of national economic statistics. The adaptation of the model to other African countries might be considered. Micro-data linkages of statistical business registers to administrative sources and surveys improve understanding of the behaviour of companies, their ownership structures and their effect on the economy. In this regard, the global Legal Entity Identifier initiative may be viewed as an additional source for inclusion in the development of statistical business registers, assisting Governments to understand and connect the corporate dots globally.

9. **New data sources**: New data sources, in combination with existing data sources and corresponding new technologies, can improve the timeliness, coverage and quality of statistical business registers. Data is now produced digitally and is handled and stored in the same way. For example, ordering goods on a business website is invoiced digitally and stored automatically in a cloud-based accounting system, then shared digitally between systems. This can and should facilitate statistical data collection by national statistical offices from many enterprises.

10. In addition, a combination of web-scraping, text-mining and machine-learning techniques can be used to collect enterprises data for statistical business registers. This, however, would require investment in a variety of high-level skills by national statistical offices, given the complexity of both substance and technology. Furthermore, data innovation strategies aimed at introducing complementary methods for traditional as well as new data sources must include awareness-raising measures regarding the added value of data innovation in official statistics.

11. Crowdsourcing platforms, web-crawling programmes and different open data projects provide opportunities to obtain more complete data on multinational enterprise groups. Multinational enterprises are key drivers of the global economy in terms of value added, trade and employment, but data on such enterprises are difficult to obtain using traditional sources alone; new data sources and new techniques are needed. A collaborative effort on the part of international organizations could potentially provide timely information on changes in the structure of these enterprises, including investments and divestments, mergers and acquisitions and relocations.

12. **Profiling and globalization**: the organization of multinational enterprises into global value chains has made it difficult to collect accurate statistics on their business activities, and detailed information from reliable sources is required for the production of high quality statistics in this regard. The direct involvement of multinational enterprise groups would improve the quality of economic statistics on their activities. The multiple sources of statistical information related to the work of multinational enterprise groups (resulting from the number of different entities within the groups, owing to their global structure) can be organized and developed through the use of up-to-date tools for economic analysis. In addition, more detailed information on the location of global decision centres, where the strategic decisions of multinational enterprise groups are taken, may be obtained through collaboration between national statistical business registers and the different interfaces of the EuroGroups Register, maintained by Eurostat.

13. **Quality and coverage of statistical business registers**: the quality of economic statistics depends directly on the quality of statistical business registers (especially in terms of coverage) either because: (a) survey frames are derived from the registers themselves; or (b) microdata-linking procedures are based on the registers. The quality of the registers could be improved by better methodologies with regard to

business censuses, better relations with administrative data providers, better activity coding services and the adoption of data quality management programmes.

14. **Output of statistical business registers**: in addition to their basic role in the production of survey frames and combined data sets, statistical business registers are increasingly being used to produce statistical figures. The session focused on statistical outputs generated from the registers, which revealed that not only business but also many other statistical domains can benefit from the use of the registers. The presentations illustrated how data from the registers can be employed to produce the statistical output of the registers themselves. In the past, the use of the registers was restricted to users inside national statistical offices; by becoming suppliers of statistical data, the registers will be made accessible to external users. For this reason, the registers must now consider questions of the confidentiality of published aggregates and the quality of the figures they publish.

15. In February 2016, given the increasing importance of the statistical business registers for economic policies and the need for the international harmonization of these new statistics, the Bureau of the Conference of European Statisticians requested the production of guidelines on the use of statistical business registers for business demography and entrepreneurship statistics. These guidelines will be available by the end of 2018 (see www.unece.org/statistics/publications.html).

B. New activities of the Wiesbaden Group on Business Registers

16. There is currently no single up-to-date exchange platform containing information on national and international activities in the context of statistical business registers. While this information is provided and made available in different contexts on the websites of the relevant statistical offices and international organizations it is not directly accessible to the entire international business register community.

17. To promote the exchange of information within the business register community, the page of the Wiesbaden Group on Business Registers on the website of the Statistics Division (https://unstats.un.org/wiesbadengroup/) will be enhanced and transformed into a central platform for the provision of all information relevant to the entire statistical business register community, including international collaborations, working groups and national and international projects.

18. The Global Legal Entity Identifier Foundation has proposed a collaboration with the Wiesbaden Group on ways to provide access to the Foundation's registry data, including relationship data, and webinar seminars are planned for this purpose. In addition, access to the network of the Corporate Registers Forum, an association of international corporate registries (http://www.corporateregistersforum.org), and to the European Commerce Registers' Forum (http://www.ecrforum.org/) is under discussion. The provision of such a level of access could also support unique identification activities in countries that do not yet have such services, and would promote the activities of the Wiesbaden Group.

19. The next meeting of the Wiesbaden Group, in Mexico in 2020, will be hosted by the National Institute of Statistics and Geography. With the establishment of the Committee of Experts on Business and Trade Statistics, the Wiesbaden Group and the Committee will work together in a complementary manner on issues related to statistical business registers in order to advance work in this area in the most efficient and effective way possible.

III. Committee of Experts on Business and Trade Statistics

20. In response to the request by the Statistical Commission for the creation of a committee of experts to prepare the guidelines for statistical business registers and provide guidance on issues related to business and basic economic statistics (E/2017/24, chap. I.C, decision 48/114), the first meeting of the Committee of Experts on Business and Trade Statistics was organized in Mexico City from 23 to 25 May 2018, hosted by the National Institute of Statistics and Geography. At the first meeting, participants discussed and formulated the mandate and governance of the Committee and developed its programme of work. The mandate and governance, presented in annex I to the present report, was prepared by the members of the Committee (see annex II).

21. One conclusion of the first meeting of the Committee was that a narrow focus on statistical business registers would not be an adequate response to the growing demand for information on the multi-faceted impact of business-related activities. The Committee agreed to adopt a holistic approach to business statistics, linking the economy to society and to the environment. Given its broad scope, this approach will follow an enterprise-centred perspective with regard to the concept and definition of statistical units, classifications and data infrastructures, including business establishments. In particular, the approach emphasizes the vital role that statistical business registers can play in providing reliable statistics for the development of evidence-based economic, social and environmental policies as well as their importance for the consistent production of high quality statistics across all economic and policy areas. The approach will also incorporate a global dimension, differing from the traditional "domestic" orientation that continues to dominate the framework of economic statistics in most countries, in order to reflect the impact of the increasing fragmentation of production and the growing and significant importance of multinationals and their affiliates. This enterprise-centred perspective, which exemplifies an integrated approach to business, trade and investment statistics, will also include a cross-border dimension in order to ensure the inclusion of data on the activities of important multinational enterprises and enterprises that work mainly on contracts with foreign companies.

22. Because of this broad approach to business statistics, within which their integration with international trade is fundamental, the Committee agreed to amend its name to Committee of Experts on Business and Trade Statistics, in order to promote the integration of business and trade statistics. The name does not, however, cover all conceptual and technical aspects that characterize the statistical domain of international trade, including certain aspects of the regulatory framework. The Committee will work in a complementary manner with existing groups dealing with specific topics, such as the Inter-Agency Task Force on International Trade Statistics and the Wiesbaden Group on Business Registers. Overall, in the execution of its mandate the Committee will adopt an integrated economic statistics approach based upon an enterprise-centred perspective.

23. The work programme of the Committee is organized within five work streams: task teams created for each work stream will develop concrete workplans for an initial period of two years, until 2020. The work streams are interrelated, and the task teams will build on each other's work, when relevant, and will ensure coordination of their activities.

24. **Task team on globalization and digitalization**. This task team is chaired by Canada. Members of the team include: Australia, Austria, Denmark, France, Indonesia, Mexico, Switzerland, the United Kingdom of Great Britain and Northern Ireland, Eurostat, the International Monetary Fund (IMF), the Organization for

Economic Cooperation and Development (OECD) and the Statistics Division. At its first meeting the Committee reconfirmed that the priority for business and trade statistics was to provide information on the impact of globalization, in particular the impact of global value chains and of digitalization, on the structure, activities and performance of the economy as measured in terms of value added, jobs, income, foreign direct investment, international trade in goods and services and other economic variables.

25. Considering the key role played by digital technologies in enabling the global flow of goods and services, the task team will focus on fostering collaboration between and the integration of national and international programmes relevant for globalization and digitalization and will promote an integrated conceptual framework for globalization and digitalization issues. The task team will also: focus on resolving classification issues related to firms/statistical units and products (goods and services) to support the conceptual framework on globalization and digitalization; conduct research into data sources, including surveys, administrative data and big data, on the global and digital economy; investigate the impact on prices (including Internet versus brick-and-mortar prices, sharing economy prices, prices for new digital products and services and adequate quality adjustment) in order to provide practical advice on how to measure quality adjustment for digital goods and services and which data sources to use; and prepare a handbook and a supporting knowledge base on country practices.

26. **Task team on well-being and sustainability**. This team is chaired by the United Kingdom. Members of the team include: Denmark, the United States of America, Eurostat, IMF, OECD and the Statistics Division. In considering this thematic area, the Committee underlined the importance of linking business and household statistics to the macroeconomic accounts and sectoral accounts of the System of Environmental Economic Accounting (SEEA) (for example, water, energy and emissions) through micro-macro links, using the data in statistical business registers. Well-being and sustainability encompasses a broad field, which includes decent work, environmental impacts, the Sustainable Development Goals and human rights. The task team will focus on aspects of well-being and sustainability from an enterprise perspective and will identify how business statistics can be improved to provide a better measurement of the impact of business activities in the above-mentioned areas. Potential data sources will be explored, including the sustainability reports of companies and their links to the core set of Sustainable Development Goal indicators.

27. **Task team on statistical business registers**. This task team is chaired by the Netherlands. Members of the team include: Australia, Egypt, France, Georgia, Jamaica, Tunisia, the United Kingdom, State of Palestine, Eurostat, IMF, OECD and the Statistics Division. Statistical business registers are the backbone for the production of economic statistics. Worldwide today, there is an increasing demand for integrated, consistent and comparable business statistics across countries and statistical domains. Furthermore, there is a growing interest in new phenomena, including globalization, digitalization, well-being, sustainability and the gig economy. It has therefore become increasingly important to establish and maintain a sound and comprehensive statistical infrastructure for the production of relevant high quality economic statistics. Statistical business registers need to keep on playing a crucial role in providing data on these developments.

28. The task team will focus on two main aspects: developing guidance relevant for developed and developing countries for making business registers more inclusive, even in a rapidly changing economy; and fostering and providing guidance on the use of statistical business registers to establish a reliable statistical infrastructure. Because of its cross-cutting nature, the task team will work in close cooperation with the other task teams.

29. The task team will also advice the Statistics Division on the possible development of a global collection and dissemination tool for trade and foreign affiliate statistics by enterprise characteristics for both trade in goods and trade in services (while addressing challenges faced by national statistical offices, notably, the poor quality of existing business registers and linking methodologies) and the development of a global enterprise group register. In response to the decision of the Commission at its forty-sixth session (see E/2015/24, chap. I.C, decision 46/107) to promote and advance "the creation of a global enterprise group register, building on and taking into account lessons learned from the ongoing EuroGroups Register project", the Statistics Division has started to develop, from information publicly available, a global enterprise group register for a limited number of the largest global multinational enterprises. The Statistics Division is also developing a strategy for the verification of the reliability of the information as well as a sustainable mechanism for maintaining and updating the information on a regular basis.

30. **Task team on business dynamics, demography and entrepreneurship**. This task team is chaired by Mexico. Members of the team include: Colombia, Egypt, Georgia, Eurostat, the International Labour Organization (ILO), OECD and the Statistics Division. The Committee, at its first meeting in Mexico, confirmed the increasing importance of business demographic and entrepreneurship statistics and the need for international harmonization in developing these statistics for countries outside of OECD and the European Union. The publication of the Economic Commission for Europe, *Guidelines on the use of statistical business registers for business demography and entrepreneurship statistics*, provides guidance in line with other international manuals in this domain, including: *Guidelines on Statistical Business Registers* (Economic Commission for Europe, 2015), *Eurostat-OECD Manual on Business Demography Statistics* (2007) and *Business Registers: Recommendations Manual* (Eurostat, 2010).

31. The task team is expected to look further into the need for international harmonization for countries outside OECD and the European Union related to the drivers of business activity, such as innovation and communication technology, research and development, e-commerce, globalization, employment and skills development. The task team will make an assessment of each of these emerging areas of national practice, including challenges to the compilation of data, in order to develop recommendations and guidance on the harmonization of these statistics. Particular attention will be given in the assessment to the central role of statistical business registers in surveys and censuses.

32. **Task team on capacity-building (leaving no one behind)**. This task team is chaired by the State of Palestine. Members of the team include: Japan, South Africa, Eurostat, IMF, OECD and the Statistics Division. Given the strategic importance of statistical business registers within the overall statistical system, and the gap between countries in utilizing their administrative registers in the production and integration of business statistics, the task team will focus on capacity-building for the production of statistical business registers, with the aim of developing and examining the best ways to reduce the gap between countries to ensure that no one is left behind.

33. The task team aims to integrate efforts by international and regional organizations in conducting assessments, developing guidelines and training materials for the establishment, maintenance and improvement of statistical business registers. The task team will conduct a global assessment of national registers, based on which it will develop: common capacity-building materials and tools for the development of the registers; a strategy to promote the benefits of the registers that can be used as advocacy in countries; and a quality assurance framework for the registers, to be used by countries as a self-assessment tool. In this context, the task team may benefit from the capacity-building activities of the Statistics Division on

the integration of trade statistics and statistical business registers: related assessments will build on the 2015 United Nations global survey on national practices in linking trade statistics and business registers.

34. The next meeting of the Committee will take place in June 2019 at United Nations Headquarters in New York to review and discuss the initial progress in the implementation of the work programmes by the task teams and the complementary work of other regional and international bodies on topics related to the work of the Committee.

35. Within its mandate, the Committee will regularly provide a detailed report on its workplan and activities for the consideration of the Statistical Commission, including progress in the implementation of the workplan. It is proposed that the Committee will report to the Commission in 2020.

United Nations guidelines for statistical business registers

36. In response to the request of the Statistical Commission (E/2017/24, chap. I.C, decision 48/114) to "establish United Nations guidelines for statistical business registers based on existing guidelines, notably the *Guidelines for Statistical Business Registers* of the Economic Commission for Europe, and taking into account the needs of countries with less-developed statistical systems by incorporating practical guidance and country cases applicable to a broad range of statistical systems", the Committee prepared a list of issues that needed to be updated through an online consultation and further discussed them during its first meeting in Mexico and at an ad hoc meeting organized back-to-back with the twenty-sixth meeting of the Wiesbaden Group. The list of issues that were identified as being most important in developing and maintaining statistical business in less-developed statistical systems can be found in the summary report of the meeting of the Committee.[2]

37. The draft United Nations guidelines for statistical business registers will be circulated for global consultation during the period from January to February 2019 and will be submitted as a background document to the Commission at its fiftieth session.

38. The Committee recognized that the concerns and needs of developing countries regarding the identification and compilation of all businesses go far beyond the scope of the *Guidelines for Statistical Business Registers* of the Economic Commission for Europe. It was agreed by the Committee that the update of the draft United Nations guidelines would be limited in scope to reflect the most important issues in developing countries and that further guidance should be developed to more completely and comprehensively address the problems faced by developing and the least developed countries. The task team on the exhaustive business registers will work towards the development of such comprehensive guidelines, in particular the inclusion of guidance for dealing with all the components of the informal sector.

IV. International classification of non-tariff measures

39. Non-tariff measures, such as sanitary and phytosanitary measures, are generally defined as policy measures other than ordinary customs tariffs that can potentially have an economic effect on international trade in goods by changing quantities traded, or prices, or both. The importance of non-tariff measures relative to tariffs has grown significantly since tariffs, either through successive rounds of multilateral trade negotiations, unilateral liberalization or the creation of preferential trade agreements,

[2] The summary report is available online at: https://unstats.un.org/unsd/trade/events/2018/mexico/Summary%20Report%20of%20the%20UN%20Committee_Mexico%20meeting_final.pdf

have reached very low levels. Because the definition of non-tariff measures can be broad, a detailed classification is of critical importance in order to better identify and distinguish among the various forms such measures can take. It is equally important to have a classification that is recognized internationally so as to ensure the harmonization of data collection across countries and the international comparability of data on non-tariff measures.

40. Although the United Nations Conference on Trade and Development (UNCTAD) started collecting data on non-tariff measures in 1994, according to the Coding System of Trade Control Measures, the Multi-Agency Support Team was created in 2006, with objective of: (a) providing a clear and concise definition of non-tariff measures; (b) developing a classification of non-tariff measures to facilitate the data collection process and analysis; (c) devising an efficient way to collect non-tariff measures; and (d) providing guidelines for the use of collected data. The Multi-Agency Support Team is composed of the following organizations: UNCTAD, the Food and Agriculture Organization of the United Nations (FAO), IMF, the International Trade Centre (ITC),OECD, the United Nations Industrial Development Organization (UNIDO), the World Bank and World Trade Organization (WTO), in addition to observers from the United States Department of Agriculture, the United States International Trade Commission and the European Commission.

41. In 2008, after a series of meetings and consultations, members of the Multi-Agency Support Team came up with a first draft of a new classification of non-tariff measures. Subsequently, the new classification was tested and used, on a pilot basis, to collect data on such measures in the following seven countries: Brazil, Chile, India, the Philippines, Thailand, Tunisia and Uganda. Following this pilot exercise, the draft classification was further improved, based on feedback received from pilot countries, and the first version of the new classification was launched in 2009. This classification was used to collect data on non-tariff measures in several countries until it was again revised by the Multi-Agency Support Team in 2012.

42. In early March 2017, UNCTAD submitted a short paper to the Expert Group on International Statistical Classifications explaining the work on the classification of non-tariff measures, its conceptual basis and applications, along with the classifications in the questionnaire on the International Family of Classifications. The Expert Group discussed the classification and provided feedback at its meeting held from 6 to 8 September 2017.

43. The classification was reviewed against best practice guidelines for the development of international statistical classifications, considered against the criteria to become a member of the International Family of Classifications and finally put through a grading criteria to determine the status of the classification within the International Family of Classifications. In April 2018, the Expert Group endorsed the International Classification of Non-Tariff Measures as an international statistical classification and recommended its inclusion in the International Family of Classifications. The International Classification of Non-Tariff will be made available to the Commission as a background document.

V. Inter-Agency Task Force on International Trade Statistics

44. The Inter-Agency Task Force on International Trade Statistics was established by the Statistical Commission in 2014 and is co-chaired by OECD and WTO. The mandate of the Task Force covers both merchandise trade and trade-in-services statistics, and aims to increase the availability, quality and comparability of trade statistics. In doing so, it acts as the inter-agency channel for advancing improvements to trade statistics and works in collaboration with the IMF Committee on Balance of

Payments Statistics and other existing international organization working bodies, such as the OECD Working Party on International Trade in Goods and Trade in Service Statistics, the OECD Expert Group on Extended Supply-Use Tables, and the Eurostat Balance of Payments Working Group, including its work on trade in goods statistics by enterprise characteristics and the Eurostat Expert Group on International Trade and Economic Globalization.

45. The Inter-Agency Task Force on International Trade Statistics works to: (a) provide updates and the exchange of information on methodological and data quality issues; (b) enhance the transparency of related metadata, newly released datasets and publications; (c) advance conceptual and definitional issues; and (d) support in the development of new products. Its work includes the following areas:

- Balanced views of bilateral trade in services dataset, (OECD and WTO)
- Balanced views of merchandise trade (OECD)
- A database on international transportation and insurance margins, (OECD)
- A database on merchandise trade price indices (OECD)
- A database on trade in services by modes of supply (WTO)
- Additional items included in the United Nations Comtrade database (UNSD)
- Trade in goods statistics by enterprise characteristics (Eurostat and OECD)
- Trade in value added estimates produced by OECD, WTO and Eurostat (International and Global Accounts for Research in Input-Output Analysis project (FIGARO)).

46. This report summarizes the main activities of the Task Force as discussed at its most recent meeting (10 and 11 October 2018), which included collaborative work to reduce trade asymmetries in support of global value chain analysis; the development of a handbook on measuring digital trade; the development of a global- trade- in-services by mode-of-supply dataset, the coordination of statistical capacity-building and the measurement of the economic activity of multinational enterprises at the global level.

47. In 2019, the Inter-Agency Task Force on International Trade Statistics will undertake an evaluation of its coexistence with the Inter-Secretariat Working Group on International Trade and Economic Globalization Statistics, as requested by Bureau of the Statistical Commission in 2014 (see E/CN.3/2016/24, para. 4). The Task Force will report back to the Statistical Commission in 2020.

48. **Reducing bilateral trade asymmetries for global value chain analyses**. All members of the Inter-Agency Task Force on International Trade Statistics attach great importance to reducing asymmetries as part of the overall efforts to improve data quality and ease their analytical use. Significant progress was reported by OECD and Eurostat towards the reduction of bilateral trade asymmetries in merchandise trade and the development of balanced merchandise trade statistics. The Statistics Division has included bilateral trade asymmetries as a regular agenda item in its capacity-building activities in order to raise awareness and facilitate discussion on the topic in developing countries. The Division has also been collecting data on trade in merchandise by partner country of origin and consignment for imports, which contribute to efforts in reducing asymmetries. The growing number and intensity of national and bilateral initiatives to study and reduce asymmetries were warmly welcomed. In addition to improving the quality of trade statistics more generally, the collaborative work will support improvement in the measurement of global value chains and ensure consistency across the various regional and global trade in value added initiatives.

49. Similar progress was made by OECD and WTO in the development of a balanced trade in services database in the sixth edition of the Balance of Payments and International Investment Position Manual, to complement and update the existing dataset in the fifth edition. The Statistics Division volunteered to follow up on individual asymmetries with reporting countries.

50. **Measuring trade in services by modes of supply**. WTO reported on progress it had made in developing an international database containing an experimental dataset on trade in services by modes of supply, building on a WTO-UNCTAD-ITC dataset based on information on approximately 200 economies, using data collected from 2005 to 2017 as starting point. Missing data were completed using a variety of estimation methods, after which the simplified approach in the Manual on Statistics of International Trade in Services was applied to develop estimates of trade in services supplied via modes 1, 2 and 4. The database also incorporates official national statistics on modes of supply, where available, to further improve the estimates, including at the global level.

51. Trade in services delivered via mode 3 was estimated using data on foreign affiliates statistics (FATS) based on existing Eurostat, OECD and national data, as well as estimates. The WTO dataset will also incorporate data that have been developed in parallel by Eurostat for the countries of the European Union, following a similar approach. The Task Force congratulated WTO and Eurostat on their work while noting that several methodological issues will require further attention, in particular more detailed national data for certain variables in the field of foreign affiliates statistics.

52. **Digital trade**. The meeting of the Inter-Agency Task Force on International Trade Statistics in 2018 was supplemented by its informal expert group meeting with representatives from developed and developing countries and international agencies to discuss the conceptual measurement framework for digital trade and to share emerging compilation practices. The group held a detailed discussed on the first draft of the proposed handbook on measuring digital trade, which is currently being developed in response to policy demands for additional information on digital trade, including from the Group of 20 and the international statistics community.

53. The handbook presents a conceptual framework for measurement of digital trade, developed in coordination with similar work on the digital economy in the SNA community, as well as practical compilation guidance, based on an inventory of current measurement practices and pilot studies in more than 70 countries,[3] as well as extensive deliberations with experts in relevant international forums over the past two years (including the IMF Committee on Balance of Payments Statistics, the OECD Working Party on International Trade in Goods and Trade in Service Statistics and the Eurostat Balance of Payments Working Group, as well as discussions held during the UNCTAD e-commerce week.

54. A background document to the present report provides the current draft of chapter 2 of the handbook, introducing the draft conceptual framework. As agreed by all members of the Task Force, the draft of the handbook, which consists of the conceptual framework and compilation practices, will be made available as a "living document" on the Task Force website, as well as on the websites of OECD and WTO, to allow for the further collection of compilation practices.

[3] See Organization for Economic Cooperation and Development (OECD) (2017), "Measuring Digital Trade: Towards a Conceptual Framework", and OECD-International Monetary Fund (IMF) (2017), "Measuring Digital Trade: Results of OECD/IMF Stocktaking Survey", paper presented at the IMF Committee on Balance of Payments Statistics meeting, 24–26 October 2017, Paris.

55. **Statistical capacity-building**. One of the objectives of the Inter-Agency Task Force on International Trade Statistics is to coordinate statistical capacity-building in trade statistics among international organizations and between them and statistical organizations. To further facilitate the coordination of demand and supply for such technical assistance, as well as to leverage resources, the Task Force proposes to create an online technical assistance hub. Interested institutions in developing economies such as national statistical offices, central banks or ministries could submit requests and priorities for technical assistance, as well as seek online methodological guidance from experts. The Task Force agreed to investigate further how this could be made to work efficiently with existing systems at individual international organizations, and to assess the resource implications.

56. **Analytical Database on Individual Multinationals and their Affiliates**. A report was presented on progress in the development of the OECD Analytical Database on Individual Multinationals and their Affiliates. The idea behind the creation of the database is to counter the current lack of information on multinational enterprises by providing statistics on the scale and scope of their international activities. By using innovative methods and data sources (including, web-scraping and text analytics) and combining them with traditional financial reporting sources, the database will provide: (a) a register of the parent-affiliate structures of multinational enterprises; (b) a series of economic indicators, using specific multinational enterprises, as well as the countries in which their affiliates operate, as a model; and (c) a monitoring tool to provide a timely flow of information on the restructuring of multinational enterprises to aid the work of national data compilers. International collaboration, in particular with the Eurostat EuroGroups Register and Early Warning System, underpins the overall approach, including intensive collaboration with national statistical offices and central banks to support the validation of the results and to ensure that the information is as useful as possible for the use of national statisticians in their profiling efforts on multinational enterprises.

57. The Statistics Division noted that complementary work is ongoing at the Division on the compilation of the global enterprise group register, which was mandated by the Statistical Commission in 2015 (E/2015/24, chap. I.C, decision 46/107).

58. **Classifications and correspondence tables**. The Inter-Agency Task Force on International Trade Statistics discussed several issues related to classifications, including the treatment of cryptocurrencies and coins as legal tender.

59. Regarding the treatment of cryptocurrencies, the Task Force took note of a draft IMF proposal to classify these as valuables (produced non-financial assets) and the consequent treatment of cryptocurrencies in trade statistics (as merchandise) and agreed that further investigation was necessary, including in collaboration with the National Accounts Section of the Statistics Division on the System of National Accounts (SNA).

60. Regarding the treatment of trade in coins as legal tender, the Statistics Division proposed the creation of a national breakdown of the Harmonized Commodity Description and Coding Systems to distinguish between coins of legal tender which are made of gold or precious metals "not in active circulation" and to include these in international merchandise trade statistics. The proposal was supported by the Task Force.

61. With regard to the compilation of correspondence tables, the Statistics Division reported that it would initiate consultations on its draft correspondence regarding the classifications set out in the 2012 edition of the Harmonized Commodity Description and Coding System (HS 2012), the Extended Balance of Payments Services and the Classification by Broad Economic Categories (Revision 5) and its intention to expand

this work to other years, including the 2017 edition of the Harmonized Commodity Description and Coding System (HS 2017). The Statistics Division will also circulate a proposal to undertake a fifth revision of the Standard International Trade Classification in collaboration with the World Customs Organization in preparation of the forthcoming 2022 edition of the Harmonized Commodity Description and Coding System (HS 2022).

VI. Points for discussion

62. **The Statistical Commission is invited to:**

(a) **Take note of the progress of work of the Wiesbaden Group on Business Registers;**

(b) **Endorse the name, mandate and governance of the Committee of Experts on Business and Trade Statistics, consider the proposed work streams of the task teams of the Committee, and take note of the proposal that the Committee report to the Commission in 2020;**

(c) **Endorse the United Nations guidelines for statistical business registers, encourage countries to use the guidelines in establishing and maintaining their statistical business registers, and request the Committee to develop a capacity-building programme on statistical business registers;**

(d) **Endorse the International Classification of Non-Tariff Measures for data collection across countries and for reporting on internationally comparable data on non-tariff measures;**

(e) **Take note of the activities of the Inter-Agency Task Force on International Trade Statistics.**

Annex I

Mandate and governance of the Committee of Experts on Business and Trade Statistics

A. Mandate

1. The Committee of Experts on Business and Trade Statistics is a statistical entity of the United Nations Statistical Commission, to be mandated, at the fiftieth session of the Commission, to provide coordination and guidance for the development of business and business-related statistics. These statistics provide information on the structure, economic activity, competitiveness and performance of businesses. In this regard, emphasis is placed on the ability of the Committee to meet new challenges and respond to policy and users' needs, including with regard to globalization, digitalization, well-being and sustainability. The Committee will take a broad approach to business statistics, in the compilation of which the integration with international trade is fundamental. Therefore, the inclusion of international trade in the name and the mandate of the Committee is to advance and promote the integration of business and trade statistics, although it does not cover all conceptual and technical aspects that characterize the statistical domain of international trade, including certain aspects of the regulatory framework.

2. This broad approach will allow for the identification and differentiation between categories of firms, such as exporter/non-exporter, foreign-owned/domestically owned, market/non-market, in statistical business registers, and, as such, requires the development of guidance and best practices in: economic profiling; classifications; data sources on businesses; business registers; and data management. The approach must also provide evidence and support analysis in other areas, such as: research and development; innovation activities; information and communication technology usage; measurement of price indices; and the environmental and social responsibility activities of businesses.

3. In order to achieve these goals, the Committee will adopt an integrated economic statistics approach based upon an enterprise-centred perspective in the execution of its mandate. An integrated approach to economic statistics calls for: the use of the System of National Accounts (SNA) as the conceptual organizing framework for economic statistics; the adoption of appropriate institutional arrangements as an enabling environment for integration; and the use of an integrated statistical production process based on common registers the use of common definitions and classifications and the integration of survey and administrative data sources.[1] While SNA will be the central organizing framework used to define business units, it is important to note that other frameworks, notably those used in the area of business demography and entrepreneurship statistics, where concepts such as births, marriages and deaths are central, will also form an important part of this integrated approach. An integrated approach to business and trade statistics means that their compilation is, to the largest extent possible, integrated and harmonized with economic, socio-demographic, environment and multi-domain statistics.[2]

4. Within this broader context of an integrated economic statistics framework, the objective of the Committee is to strengthen the basic business statistics needed for the overall improvement of economic statistics and for responding to emerging needs.

[1] See *Guidelines on Integrated Economic Statistics*, United Nations publication, 2013, Sales No. E.12.XVII.7.

[2] Economic Commission for Europe, "Classification of Statistical Activities, Rev 1", 2009.

In order to achieve this objective, the programme of work of the Committee will focus on the following five strategic areas:

(a) Coordination: ensure coordination integration and complementarity of programmes in business and trade statistics undertaken by international organizations and countries and provide a strategic vision in this area;

(b) Methodology and concepts: advance the methodological and conceptual work in business and trade statistics by identifying and prioritizing issues that need to be addressed, establishing appropriate mechanisms to address those issues, monitoring progress made, reviewing proposed solutions and submitting recommendations to the Statistical Commission for approval;

(c) Capacity-building: promote the implementation of latest international statistical standards and best practices in business and trade statistics in countries through the formulation, when possible, of system-wide and integrated implementation strategies;

(d) Data: promote the development and improvement of data information systems related to business and trade statistics at the national, regional and international level, in line with international statistical standards and international recommendations and advise on new areas of development, as needed, such as big data;

(e) Communication/promotion and statistical response on emerging issues: engage with users of business and trade statistics (for example, in the academic, business and government sector), particularly in the developing world, with a view to promoting the use of the statistics and identifying emerging areas; and engage prominently at the level of the international agenda by articulating a coordinated statistical response from an examination of business and trade statistics, in particular in high-priority areas, such as globalization, digitalization, well-being and sustainability and the 2030 Agenda for Sustainable Development.

5. In elaborating its work programme, the Committee shall identify the most promising avenues to foster the expansion and integration of business, notably with trade statistics, in order to increase the quality and relevance of official statistics with respect to the needs of users.

6. The Committee has an umbrella function in providing overall vision, coordination, prioritization and direction in the field of business and trade statistics and their integration. The Committee will ensure that it works in a complementary manner with existing or new groups covering business and trade statistics and it will also coordinate its activities and findings with related groups and bodies, such as those working in the areas of national accounts and other economic statistics, labour and other social and demographic statistics and environment and multi-domain statistics.

7. Within its mandate, the Committee will regularly provide a detailed report on its workplan, including its activities, for the consideration of the Statistical Commission and report on the progress in its implementation.

B. Governance

8. The major elements of the governance arrangements are shown in the diagram below. The description of the governance follows the diagram and covers the managerial functions, roles and responsibilities of the various groups and organizations involved. The boxes within the shaded large box represent the bodies of the Committee or projects under the Committee's responsibility. Technical expert

groups and city groups are shown outside the shaded box, when they were established by bodies other than the Committee and have their own governance and reporting structure. Nevertheless, when their programmes of work overlap with that of the Committee, the Committee may coordinate with these external bodies as mandated by the Statistical Commission.

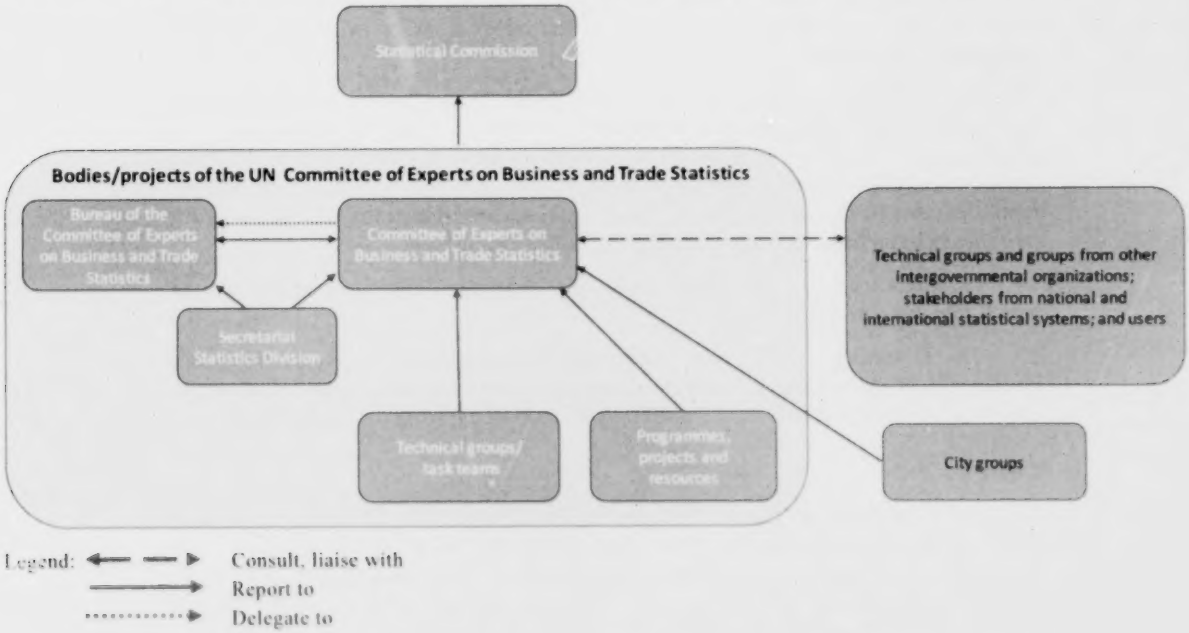
United Nations Statistical Commission

9. The United Nations Statistical Commission is the entity that establishes the Committee, approves its mandate and work programme and monitors its progress of work.

Committee of Experts on Business and Trade Statistics

10. The Committee of Experts is a country-led intergovernmental body, comprising members from Member States and international organizations, which is responsible for carrying out the mandate outlined in section A above. The Committee is also responsible for reporting the progress of its programme of work to the Statistical Commission.

Governance structure of the Committee of Experts on Business and Trade Statistics


Statistical Commission
Bodies/projects of the UN Committee of Experts on Business and Trade Statistics
Bureau of the Committee of Experts on Business and Trade Statistics
Committee of Experts on Business and Trade Statistics
Secretariat Statistics Division
Technical groups and groups from other intergovernmental organizations; stakeholders from national and international statistical systems; and users
Technical groups/ task teams
Programmes, projects and resources
City groups
Legend:
Consult, liaise with
Report to
Delegate to

11. Within each area of its work programme, the Committee will undertake specific activities, engaging existing city groups and/or other expert groups and establishing new technical groups, as needed, to carry out its activities. For large projects, such as the development, updating or implementation of international standards, it may be necessary to develop project management frameworks for adoption by the Committee.

12. Broadly speaking, the Committee will undertake the following tasks in respect of the programmes under its responsibility:

(a) Strategic planning, programming and monitoring: develop and monitor a strategic multi-year framework and annual work programme of the Committee that reflect its ongoing priorities and objectives, including: providing strategic direction

for its activities; ensuring the complementarity and proper coordination of its activities; agreeing on governance arrangements; formulating the workplans of technical groups and projects, including communication strategies and budgets; assigning or negotiating the tasks of the technical expert groups and groups from other intergovernmental organizations; tracking progress; and ensuring adequate and effective review of technical matters

(b) Reporting: reporting to the Statistical Commission on the workplans and projects within its mandate; receiving regular reports from the technical groups; and liaising with stakeholders, including managing their expectations and gaining their support;

(c) Resource mobilization: ensuring that workplans and projects are adequately resourced; raising funds from external sources, as needed, for example in the case of special projects; recommending staffing for the projects; and monitoring cash and in-kind budgets.

13. High-level representation will be necessary to ensure the strategic role of the Committee in setting priorities, bringing forward a research agenda, taking decisions on standards and developing a strategic vision.

14. Members of the Committee will comprise high-level representatives from national Governments and international organizations with expertise in business and trade statistics. In addition, members will be selected so as to ensure equitable regional representation.

15. Given the wide range of topics covered by the Committee, as well as the need to keep the size of the Committee manageable in order to ensure in-depth discussion, the members of the Committee will comprise about 30 representatives from Member States and organizations. Depending on the topics on its agenda, additional subject matter experts from Member States and international organizations may be invited to participate in technical groups and projects of the Committee.

16. Members are appointed to the Committee for an initial period of three (3) years, which may be renewed.

17. The Committee will have a face-to-face meeting once a year. In special circumstances, ad hoc face-to-face meetings may be organized. In between meetings, electronic discussions will be the preferred method of carrying on consultations.

Chair

18. The Committee will elect, from among its members, the Chair for a period of three years, renewable for one term. The role of the Chair is to develop, in close cooperation with the Bureau and the secretariat, a multi-year strategic framework and an annual programme of work for the Committee, monitor progress of the various components of the programme and set the agenda for the meetings.

19. The Chair will represent the Committee at international meetings and will play a key role in promoting and communicating the work of the statistical community with other communities, namely the scientific, academic, business and policymaking community. She or he will engage the various stakeholders and seek supports for Committee projects.

Bureau

20. The Bureau, which will work under delegated authority from the Committee, is established to assist the Committee with the day-to-day management of its programme of work and the projects under its responsibility. These activities and tasks are organized by task teams, for which members of the Bureau will be assigned

as leads. Decisions taken by the Bureau, under the delegated authority from the Committee, will be reported back to the Committee.

21. The Bureau, under the delegated authority from the Committee, will carry out the activities and tasks in relation to coordination, methodological development, data and data management, statistical capacity-building, promotion and statistical response on emerging issues, in line with the workplans and projects within its mandate.

22. The Bureau of the Committee will consist of members of the Committee at the senior level in national statistical offices and international and regional organizations. The Bureau will include the Chair, the secretariat and senior officials from Member States and international organizations endorsed by the Committee from among its members for a period of three (3) years. Members of the Committee who lead the Committee's task teams will be members of the Bureau. The Chair may also invite other experts, chairs of the city and expert groups to participate in the meetings of the Bureau.

Secretariat

23. The secretariat of the Committee and its Bureau will be the Statistics Division of the Department of Economic and Social Affairs of the United Nations Secretariat. The secretariat, which will be the main source of logistical and administrative support for the Committee, will receive guidance regarding such support from the Committee and its Bureau. Among the substantive and administrative tasks that the secretariat will undertake are the following:

(a) Consultation with countries and/or regional and other expert meetings on major substantive aspects of its programme of work, such as methodological standards;

(b) Management of the Committee's website;

(c) Preparation of the correspondence with the members of the Statistical Commission and national statistical offices;

(d) Preparation of reports to the Statistical Commission on behalf of the Committee and its Bureau;

(e) Provision of other substantive and administrative support to the Committee and its Bureau, as appropriate.

Technical groups/task teams

24. The Committee of Experts will convene technical groups/task teams to carry out its work programme and/or in support of specific projects, for example for normative and methodological matters. Such groups will be bodies of the Committee and, as such, will fall under its overall management and coordination. Task teams, which will be created within the Committee to address specific topics with a limited lifetime (generally, 2 years), will be composed of members of the Committee who express interest in being part of the task teams.

25. The technical groups may include experts in business and trade statistics who are not members of the Committee. These experts will be appointed by the Bureau of the Committee. Appropriate balanced regional representation must be considered in the composition among the members of these technical groups. Technical groups will only be created where existing groups cannot provide the necessary technical support and will be chaired by a member of the Bureau. The technical groups will have limited life spans and focus on selected issues.

City groups

26. Existing city groups may be engaged to work on specific programmes and projects under the responsibility of the Committee. The Committee, while respecting the character and mandate of these groups, will coordinate, within its mandate, its programme of work with those groups, as mandated by the Statistical Commission.

27. Specific tasks and responsibilities of these groups will be agreed upon between these groups and the Committee. The terms of reference for the tasks related to the programmes and projects will be formulated in coordination with every expert group. They will include specifications on deliverables, timelines and work arrangements for monitoring the technical discussions and for reporting recommendations to the Committee. The city groups will report to the Committee on the tasks and responsibilities agreed with the Committee.

Technical expert and inter-agency groups and groups from intergovernmental organizations

28. The Committee will liaise with other relevant technical expert groups and groups from other intergovernmental organizations that are already in existence and have their own mandate, governance and reporting structure. These groups include, the Inter-Secretariat Working Group on National Accounts and its Advisory Expert Group on National Accounts, the Inter-Agency Task Force on International Trade Statistics, the Committee on Balance of Payments Statistics of the International Monetary Fund, the Technical Advisory Group on Economic Statistics of the Economic and Social Commission for Western Asia and the Steering Group for the Regional Programme on Economic Statistics of the Economic and Social Commission for Asia and the Pacific. For areas in the programmes of work of the aforementioned groups that fall within its scope of work, the Committee will initiate liaison with such groups in order to ensure complementarity between the programmes and to advance an integrated economic statistics approach in the broader area of economic statistics.

Annex II

List of members of the Committee of Experts on Business and Trade Statistics: 2018

Africa

Egypt:	Central Agency for Public Mobilization and Statistics
Ethiopia:	Central Statistical Agency of Ethiopia
Mauritius:	Statistics Mauritius Office
South Africa:	Statistics South Africa
Tunisia:	Institut national de la statistique

Americas

Canada:	Statistics Canada
Colombia:	Departamento Administrativo Nacional de Estadistica
Jamaica:	Statistical Institute of Jamaica
Mexico:	National Institute of Statistics and Geography
United States of America:	Bureau of the Census and Bureau of Labor Statistics

Asia and the Pacific

China:	National Bureau of Statistics of China
Georgia:	National Statistics Office of Georgia
Indonesia:	BPS – Statistics Indonesia
Japan:	Ministry of Internal Affairs and Communications
Sri Lanka:	Department of Census and Statistics
State of Palestine:	Palestinian Central Bureau of Statistics

Europe

Austria:	Statistics Austria
Denmark:	Statistics Denmark
France:	Institut National de la Statistique et des Études Économiques
Italy (Chair):	National Institute of Statistics
Netherlands:	Statistics Netherlands
Switzerland:	Swiss Federal Statistical Office

United Kingdom of Great Britain and Northern Ireland:	Office for National Statistics

Oceania

Australia:	Australian Bureau of Statistics

International and multilateral institutions, United Nations agencies, entities and organizations and regional commissions

Asian Development Bank

African Development Bank

Economic Commission for Africa

Economic Commission for Europe

Economic Commission for Latin America and the Caribbean

Economic and Social Commission for Asia and the Pacific

Economic and Social Commission for Western Asia

Eurostat

International Labour Organization

International Monetary Fund

Organization for Economic Cooperation and Development

United Nations Industrial Development Organization

United Nations Statistics Division (secretariat)

United Nations E/CN.3/2019/1

Economic and Social Council

Distr.: General
19 December 2018

Original: English

Statistical Commission
Fiftieth session
5–8 March 2019
Item 3 (i) of the provisional agenda*
Items for discussion and decision: industrial statistics

Report of the United Nations Industrial Development Organization on industrial statistics

Note by the Secretary-General

In accordance with Economic and Social Council decision 2018/227 and past practices, the Secretary-General has the honour to transmit the report of the United Nations Industrial Development Organization (UNIDO) on industrial statistics, which is before the Statistical Commission for discussion. In the report, UNIDO describes its activities in the field of industrial statistics carried out since the publication of the previous report (E/CN.3/2016/12) and provides information on capacity-building and training activities undertaken for the implementation of international recommendations for industrial statistics.

UNIDO describes its role as a custodian agency for the monitoring process for the Sustainable Development Goals. In that context, some activities relating to industrial statistics that were previously undertaken by the Statistics Division of the Department of Economic and Social Affairs of the Secretariat are being transferred to UNIDO, which is expected to enable UNIDO to assume full responsibility in that field and thereby streamline data reporting by national statistical offices, which will be only to UNIDO. UNIDO also highlights the difficulties faced in financing industrial statistical activities in developing countries, especially for obtaining the timely data for small enterprises required for monitoring the Goals.

The Commission is invited to comment on the issues raised in the report.

* E/CN.3/2019/1.

18-21440 (E) 261218

Please recycle

Report of the United Nations Industrial Development Organization on industrial statistics

I. Introduction

1. At its forty-seventh session, held from 8 to 11 March 2016, the Statistical Commission, in its decision 47/109, welcomed the report of the United Nations Industrial Development Organization (UNIDO) (E/CN.3/2016/12) and expressed its support for the work programme on industrial statistics contained therein. The Commission called upon developing countries to give high priority to industrial statistics, considering them to be an essential data source for the compilation of macroeconomic statistics and other applications, including the Sustainable Development Goals. The Commission also requested development partners to increase assistance for capacity-building programmes on industrial statistics in developing countries, especially in the context of the Goals.

2. The present report provides updates on the recent activities of UNIDO in response to the Commission's requests. It is stated that several Goal indicators, especially those relating to inclusive and sustainable industrialization (Goal 9) and sustainable production and consumption (Goal 12), are compiled from data produced by industrial statistics systems, thus requiring the further attention of national Governments and international development partners.

3. UNIDO outlines the rationale for and importance of the transfer of full responsibility for global industrial statistics from the Statistics Division of the Department of Economic and Social Affairs of the Secretariat to UNIDO.

II. Activities carried out in response to the Commission's requests

A. Implementation of international recommendations for industrial statistics

4. Since the publication of the previous report, significant progress has been made in implementing the most recent international recommendations for industrial statistics. According to the UNIDO database, more than 100 countries now compile industrial data using revision 4 of the International Standard Industrial Classification of All Economic Activities (ISIC), while many others are introducing it in the coming years. Moreover, the extensive introduction of revision 4 has contributed to greater international comparability of industrial data.

5. In recent years, the number of countries that have conducted annual or periodic censuses or surveys of industries (establishments or enterprises) has also increased. Most of the surveys cover the basic data items proposed in the *International Recommendations for Industrial Statistics 2008*. The number of countries producing monthly or quarterly estimates of production growth based on the *International Recommendations for the Index of Industrial Production 2010* has also risen. Many countries have integrated their gross domestic product quarterly national accounts with the index of industrial production for the quarterly national accounts of the industrial sectors. The significance of short-term indicators such as the index of industrial production was widely recognized by policymakers following the global financial crisis in 2008–2009. That index may indicate the turning point in an economy if data with proper disaggregation by industry supplying consumer goods (durable or non-durable), intermediate goods and capital goods are presented.

Countries have been progressively implementing the standards and recommendations proposed in the above-mentioned international recommendations, which have allowed them to produce a comprehensive set of sector-level data to improve business, trade and national accounts statistics and other economy-wide indicators. The increased availability of industrial data owing to rising demand for data from users in government, the private sector and development partners has contributed to a better understanding of industrial policy issues, including their integration into global value chains.

6. Countries are also using other data sources to meet the demand for industrial statistics. One such source has been economic censuses, which produce basic data disaggregated by economic activities. They have allowed many developing countries to update their business registers, improve survey frameworks and prepare more specialized surveys that require additional data. The use of administrative sources has also increased in industrialized and in emerging industrial economies. Administrative sources are not, however, always reliable in developing economies owing to weak updating of systems. UNIDO has examined the scope of big data in industrial statistics and concluded that its applicability in developing countries for international trade in industrial goods and services has potential. Together with the Division, it will further explore big data sources and related applications.

7. The 2030 Agenda for Sustainable Development has significantly increased the relevance of industrial statistics for global development. The Inter-Agency and Expert Group on Sustainable Development Goal Indicators has designated UNIDO as the custodian agency for six indicators relating to inclusive and sustainable industrialization under Goal 9, while industrial statistics are also used to compile other Goal indicators relating to efficient water use, material consumption and sustainable production. Rising demand for data from policymakers has created a unique opportunity for industrial statistics, but also some challenges. While many international development agencies that were part of the Millennium Development Goals built the required capacity and gained sufficient experience in global data collection and reporting for the purpose of global monitoring, UNIDO has had to build its capacity for global reporting within a relatively brief period.

B. International and regional workshops and capacity-building activities

8. UNIDO has continued to organize regional workshops for national statistical offices as one of the most cost-effective measures to inform national statisticians about the most recent international recommendations and best practices. As offices within the same region have many common issues, such workshops have provided space for deliberations on conceptual problems and to exchange experiences and best practices.

9. Since the publication of its previous report to the Commission, UNIDO has conducted international and regional workshops, including a regional workshop on statistical business registers for the Arab countries (jointly with the Economic and Social Commission for Western Asia and the Arab Institute for Training and Research in Statistics), in Amman in September 2016; an international workshop on industrial statistics, in Beijing in April 2017; a workshop on the development of indicators of industrial performance for policy analysis in the countries of the Commonwealth of Independent States, in Sochi, Russian Federation, in May 2017; and a regional training session on statistical analysis of the gender gap in employment and wages in manufacturing (jointly with the United Nations Entity for Gender Equality and the Empowerment of Women and the Economic Commission for Africa), in Addis Ababa

in October 2018. UNIDO has also contributed to an international workshop on industrial statistics in Central America and the Caribbean, held in May 2017 and organized by the Division in collaboration with the Economic Commission for Latin America and the Caribbean and hosted by the National Statistics and Census Institute of Panama.

10. Within the scope of the UNIDO technical assistance programme, other national workshops were conducted in Almaty (Kazakhstan), Havana, Lagos (Nigeria), Odessa (Ukraine), Vientiane and Yerevan. Technical assistance projects are being carried out, including in Cuba, the Lao People's Democratic Republic, Oman and Saudi Arabia. In 2018, UNIDO completed a regional project for countries of the Commonwealth of Independent States and national projects in the Lao People's Democratic Republic, Nigeria and the United Republic of Tanzania. New projects are in the approval process.

11. It should be noted, however, that the demand of national statistical offices for technical assistance is much higher than the current level of delivery. UNIDO is working to mobilize more resources for this purpose. In some cases, for example those of Oman and Saudi Arabia, UNIDO has implemented technical assistance projects funded by the countries themselves. Similarly, the Governments of China and the Russian Federation have provided financial support to UNIDO, not only for projects implemented in their own countries but also for those in other countries in their regions. UNIDO has also received funding from the Governments of Finland and the Republic of Korea. Such support is highly appreciated.

III. United Nations Industrial Development Organization data collection and dissemination programme

12. UNIDO has global responsibility for the annual collection of general industrial statistics on the mining, manufacturing and electricity, gas, water supply and other utility industries (ISIC sections B, C, D and E, pursuant to revision 4) at the three-digit and four-digit levels. It directly collects annual data from some 150 countries that are not members of the Organization for Economic Cooperation and Development (OECD) and receives data for OECD member countries from OECD directly to avoid duplication of effort. Countries are requested to report relevant data in accordance with ISIC revision 4 or revision 3.

13. Following the recommendations of the Commission at its twenty-seventh session, in 1993, international responsibility for the collection and dissemination of general industrial statistics was transferred from the Division to UNIDO and OECD in 1994. Moreover, an inter-agency agreement was drawn up between Eurostat and OECD, whereby OECD collects data directly from countries that are not members of the European Union and Eurostat collects business statistics for countries that are members of the European Union. UNIDO thus obtains data from Eurostat countries directly from Eurostat and directly from OECD for non-Eurostat countries that are members of OECD. The official websites of national and supranational organizations provide direct access to primary data in many cases.

14. The increased use of modern technology has allowed UNIDO to improve its data collection practices and data dissemination programme in recent years. Data products on CD-ROM have been gradually replaced with free access to user-friendly databases. Databases maintained by UNIDO can be divided into two groups based on the data source: (a) source data obtained directly from national statistical offices; and (b) source data obtained from UNIDO databases or the databases of other international organizations, especially the Division.

15. The following databases belong to the first category:

(a) Industrial Statistics Database (INDSTAT). This database is available in two versions: INDSTAT2 and INDSTAT4. The former contains time series data on the manufacturing sector at the two-digit level of ISIC revision 3. It is the largest international industrial statistics database of its kind. It provides data based on a single classification standard for a longer period, which makes it particularly valuable for long-term structural analysis. It contains eight principal indicators of industrial statistics, including the index numbers of industrial production. INDSTAT4 contains highly disaggregated data on the manufacturing sector since 1990 at the four-digit level of ISIC. The comparability of data over time and across countries has been the main priority in developing and updating this database;

(b) Mining and Utilities Statistics Database (MINSTAT). This is a unique database on mining and quarrying, electricity, gas, steam and air conditioning and water supply, sewage and waste management. In recent decades, a gradual depletion of natural resources has been observed worldwide. At the same time, demand for such resources as crude oil, natural gas and water has been soaring owing to rapid industrial growth and the overall increase in the world population. To respond to the rising demands from data users, UNIDO has made its database available since 2012. It contains time series data for more than 100 countries since 1995. Data are presented at the two-digit and three-digit level of ISIC revisions 3 and 4;

(c) Quarterly Index of Industrial Production. This presents indices of industrial production at the two-digit level of ISIC revision 4 by country and illustrates short-term shifts in the manufacturing output of different industries.

16. The following databases are maintained for a number of economic indicators that are derived from data using sources belonging to UNIDO or external sources (mainly the Division):

(a) Industrial Demand-Supply Balance Database (IDSB). This is maintained at the four-digit level of ISIC using data derived from INDSTAT and the International Trade Statistics Database (UN Comtrade). It includes data on domestic output and on imports and exports of manufactured goods. It presents apparent domestic consumption as the difference of domestic output and the trade balance;

(b) Manufacturing Value Added Database (MVA Database). This contains data for more than 200 economies since 1990. Data for the two most recent years are estimated using nowcasting methods. Figures for most countries are taken from the Division's website and supplemented with national publications and/or UNIDO estimates;

(c) Competitive Industrial Performance Index. This is a composite measure of eight quantitative indicators of industrial performance. The indicators are compiled from data contained in UNIDO databases and UN Comtrade. It ranks the countries by index value and indicates the relative position of countries in global industrial development. The database contains absolute and index values of each component indicator since 1990;

(d) Goals data platform. This database, of which UNIDO is the custodian agency, is the latest database for six Goal indicators. It contains country data since 2000. The data are derived from other UNIDO databases, national sources, the International Energy Agency, the International Labour Organization and the World Bank.

All the databases can be accessed through http://stat.unido.org/ after registering as a user.

17. In addition, UNIDO compiles and disseminates the following statistical publications using the data from the databases mentioned above:

(a) *International Yearbook of Industrial Statistics* (annual);

(b) *World Statistics on Mining and Utilities* (biennial);

(c) *Competitive Industrial Performance Report* (annual);

(d) *Statistical Indicators of Inclusive and Sustainable Industrialization* (annual Goal 9 progress report);

(e) Quarterly report on world manufacturing production (online only).

All the publications are regularly distributed to national statistical offices free of charge. The release of new publications is announced through official UNIDO press statements.

IV. Division data collection programme

18. The data collection activities of the Division pertain to the area of industrial commodity production statistics. Through its programme in that regard, the Division collects and publishes industrial commodity production data for some 200 countries and territories on the value and volume of production during a given reference period. The data are based on a list of industrial products, established in 2005, which consists of about 600 industrial commodities. The data are collected mainly through an annual questionnaire sent to national statistical offices. In addition, for a limited number of commodities, monthly data are collected and published through the *Monthly Bulletin of Statistics* programme (which includes other monthly data).

V. Other Division responsibilities

19. The Division retains responsibility for some relevant standards, classifications, guidelines, methodological recommendations and manuals in the field of industrial statistics. The main international recommendations are the *International Recommendations for Industrial Statistics 2008* and the *International Recommendations for the Index of Industrial Production 2010*. The former is available in all official languages of the United Nations and online. The final edited version of the latter is available in English and online only. The main reference classifications mostly relevant for industrial statistics are ISIC and the Central Product Classification, which are also maintained by the Division.

20. The Division plans to continue its collaboration with UNIDO and other stakeholders, including the regional commissions, in areas of methodology, classifications for industrial statistics and capacity-building to strengthen the industrial statistics work programme in countries. It should be noted that there is high demand for broader collaboration in areas of integrated economic statistics, policy linkages, for example the Goals and other frameworks, and developing new techniques, tools and data sources, including linkages to statistical business registers, administrative data and big data.

VI. Transfer of full responsibility for global industrial statistics

21. In accordance with the arrangements agreed to in relation to the decision of the Commission of 1993 in this regard, international responsibility for the collection and dissemination of general industrial statistics lies with the Division, UNIDO and OECD. UNIDO has been publishing the *International Yearbook of Industrial Statistics*, in the field of manufacturing, since 1996. Data for this publication and for

the database are collected directly from non-OECD member countries and directly from OECD for OECD member countries to avoid duplication of effort. UNIDO has been publishing *World Statistics on Mining and Utilities* biennially since 2010, including the first three editions based on data collected by the Division. Following the successful publication of those editions, activities relating to mining and utility statistics were formally transferred from the Division to UNIDO in 2015.

22. Since the transfer of data collection and dissemination activities relating to mining and utility statistics and the index of industrial production in 2015, the Division has continued to collect industrial commodity production (in value and volume) data for its publications on monthly and annual statistics. As part of the remaining and final transfer of industrial commodity production data, the Division and UNIDO have carried out a joint evaluation of activities to be transferred and have prepared technical documentation. The Director of the Division visited UNIDO headquarters in Vienna and met the UNIDO Deputy to the Director General to reinforce acceptance of the transfer at the highest level. Preparations are under way to complete the transfer, with the reassignment of responsibility for industrial commodity production statistics by March 2019, following endorsement by the Commission in 2019.

23. To ensure a smooth and complete transfer of the industrial statistics data programme, which requires the provision of resources to the UNIDO Statistics Division to carry out the work programme, the Statistics Division of the Department of Economic and Social Affairs will facilitate inter-agency discussions at the highest level between the Department and UNIDO. During the transition period, the Statistics Division of the Department will continue to provide training to UNIDO staff on the collection and processing of industrial commodity production statistics, as required.

VII. Data gaps in industrial statistics in the context of the Goals

24. The critical data gap in industrial statistics in many developing countries, especially in sub-Saharan Africa, was mentioned in the UNIDO report to the Commission in 2016 (E/CN.3/2016/12, paras. 26–30). Industrial surveys remain the main source of data, but are expensive undertakings. Analysis by UNIDO reveals that survey costs are much lower in countries in which they are regularly administered than in those with longer intervals. If a new survey is conducted several years after the previous survey, new investments need to be made to establish the survey framework, all survey staff need to be retrained and computing facilities and applications need to be newly created. If surveys are conducted annually, institutional knowledge and capacity not only remain in national statistical offices, but also develop and mature.

25. In recent years, a premature deindustrialization process represented by the falling share of manufacturing value added in gross domestic product has been observed in African least developed countries. Even though the economic growth prospects of many African countries are quite high thanks to their wealth of mineral resources and other raw materials, low labour costs and strong export potential, those countries have been unable to attract the necessary investments in industrial development. This is due partly to the lack of availability of basic data, because establishing any new business is considered too risky by investors when basic information required for decision-making is unavailable. In many countries, the ability of Governments and business leaders to formulate an effective national industrial policy has been seriously constrained by the lack of basic data.

26. The data gap has also been felt in many developing countries with reference to Goal indicators, especially relating to the size and contribution of small-scale

industrial enterprises and their access to financial services. Small industrial enterprises play a pivotal role in generating employment and self-employment, thereby preventing a large segment of the population from falling below the poverty line. However, the current system of industrial statistics in many developing countries is to collect data from the larger establishments above a certain size, such as those that have 10 or 20 persons engaged. Furthermore, data by employment size and industry class are available for a limited number of countries only. It is imperative that national statistical offices include small industrial enterprises in their future survey programmes.

27. Surveying small firms in developing countries is much more difficult than doing so for large enterprises. Significant efforts are generally required to build a reliable survey framework, especially as some activities are performed only seasonally, rendering it necessary to select the appropriate survey period. A proper sampling plan is required to ensure good representation of all geographical areas and activities. It is highly recommended that international agencies with experience in economic surveys, such as the Food and Agriculture Organization of the United Nations, UNIDO, the Division and the World Bank collaborate in developing the necessary tools and methods and implement surveys in sample countries on a pilot basis. The experience acquired from such exercises could be extended to other countries. Statistics of small industrial enterprises are essential not only for Goal monitoring, but also, and more importantly, for achieving sustainable industrialization.

VIII. Points for discussion and decision

28. **The Commission is invited:**

(a) **To comment on the report with regard to current activities in industrial statistics, to take note of the progress made by UNIDO in its programme of work on industrial statistics and to encourage countries to improve the implementation of their industrial statistics programmes;**

(b) **To endorse the finalization of the transfer of responsibility for the collection and global reporting of industrial statistics from the Division to UNIDO and to request national statistical offices to report industrial commodity production data to UNIDO;**

(c) **To call upon developing countries to accord higher priority to industrial statistics, especially those relating to small enterprises, in order to facilitate the comprehensive monitoring and implementation of the Goals;**

(d) **To request international agencies and development partners to increase assistance for developing countries through capacity-building programmes on industrial statistics, especially in the context of the Goals.**

United Nations E/CN.3/2019/13

Economic and Social Council

Distr.: General
19 December 2018

Original: English

Statistical Commission
Fiftieth session
5–8 March 2019
Item 3 (j) of the provisional agenda*
Items for discussion and decision: price statistics

Report of the Intersecretariat Working Group on Price Statistics

Note by the Secretary-General

In accordance with Economic and Social Council decision 2018/227 and past practices, the Secretary-General has the honour to transmit the report of the Intersecretariat Working Group on Price Statistics, which is being submitted to the Statistical Commission for discussion. In the report, the Working Group outlines the latest developments and activities in the area of price statistics, in particular progress with regard to updating the Consumer Price Index Manual. The Commission is invited to comment on the progress made to date, to note that a global consultation on the Manual will be held in the first half of 2019 and to encourage national price compilers to give a timely response to the consultation.

* E/CN.3/2019/1

18-21452 (E) 271218

Please recycle

I. Introduction

1. The Intersecretariat Working Group on Price Statistics was established in 1998 to develop international standards and recommendations on price statistics, to document best practice guidelines and support their implementation and to coordinate the work of international organizations in the area of price statistics. The members of the Working Group comprise Eurostat, the International Labour Organization (ILO), the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), the Economic Commission for Europe (ECE) and the World Bank. The World Bank currently holds the Chair.

2. The present report presents an overview of the main developments in price statistics since the previous report of the Working Group to the Statistical Commission in 2018. Section II of the report contains the main developments in international standards and methodological guidance; Section III covers issues related to the international collection of price data; and Section IV contains information on recent meetings and conferences.

II. International standards and methodological guidance

A. Update of the Consumer Price Index Manual

3. In 2015, the Working Group established a technical expert group to update the 2004 Consumer Price Index Manual: Theory and Practice.[1] The objectives of the update are: (a) to reflect the developments in methods and practices in consumer price index compilation and in data sources; (b) to provide clearer and more prescriptive recommendations and guidance where possible; (c) to meet developments in user needs; and (d) to harmonize consumer price index concepts with the 2008 System of National Accounts. The technical expert group is led by IMF and includes international experts and compilers from national statistical offices. This update is being carried out under the auspices of the Working Group, which is responsible for the final approval of the update.

4. It was agreed that two separate publications would be prepared: the first, entitled "Consumer Price Index Manual: Concepts and Methods", would focus on issues relating to the compilation of consumer price indices; while the second, entitled "Consumer Price Index Theory", would review the theoretical foundations of consumer price indices.

5. With regard to the first publication, all chapters on the methods of consumer price index compilation have been drafted, peer reviewed and made available for additional review and comment by compilers and users on a website hosted by IMF. Commentators' remarks have been incorporated, and it was widely noted that the updated Manual provides clearer, more practical advice than it had previously. The Manual also recognizes the onset of digitization, such as the growing use of scanner data, web scraping, Internet pricing, web-based outlets and new digital economy service providers. Those innovations, together with new data sources and the role of consumer price indices in measuring well-being, form part of a proposed research agenda. At a meeting in Paris in October 2018, the Intersecretariat Working Group on Price Statistics reviewed all the chapters. Then, during a follow-up conference call meeting held in November 2018, it discussed progress and a timetable. The technical expert group is currently incorporating relevant feedback and inputs into the chapters.

[1] International Labour Office (ILO) and others, *Consumer Price Index Manual: Theory and Practice* (Geneva, ILO, 2004).

6. A formal consultation of Member States will be conducted in the first half of 2019. The Statistical Commission will be invited to endorse the updated Manual as an international statistical standard at its fifty-first session.

7. The Manual will be made available in digital format from the IMF website. In addition, hard copies will be distributed to all national statistical offices and made available to key users, such as central banks, upon request.

8. With regard to the second publication on consumer price index theory, the chapters are being updated as needed and peer reviewed. The publication will be made available in digital format only, from the IMF website.

B. Guidance on commercial property price indices

9. Following the example of the Handbook on Residential Property Price Indices,[2] and against the backdrop of the Group of 20 Data Gaps Initiative (see sect. III. E. below), work on conceptual and practical guidance on the compilation of commercial property price indices started in 2013. Such indices are new and challenging and raise a number of particularly difficult issues. Under the aegis of the member organizations of the Intersecretariat Working Group on Price Statistics, Eurostat took the lead in coordinating the drafting of a guidance document by a team of experts. IMF, OECD and the European Central Bank also contributed.

10. The resulting document, entitled "Commercial Property Price Indices: sources, methods and issues",[3] provides the groundwork for a future handbook on commercial property price indices. It sets out a conceptual framework for the compilation of such indices and presents the main methods and possible data sources, as well as the arising challenges. In addition, an overview of commercial property price indices and related indicators presently available in a number of countries is provided.

11. After extensive editing by IMF and feedback from the Intersecretariat Working Group on Price Statistics, the document was published by Eurostat in December 2017.

C. Update of the Classification of Individual Consumption According to Purpose

12. A new version of the Classification of Individual Consumption According to Purpose was adopted by the Statistical Commission in 2018. The revision process was carried out under the auspices of the Commission by the Expert Group on International Statistical Classifications and its technical subgroup for the revision of the Classification of Individual Consumption According to Purpose. The Intersecretariat Working Group on Price Statistics contributed to the work of the technical subgroup, either directly or via representatives of the various international organizations involved. The Working Group will discuss and follow up on issues in relation to the implementation of the 2018 Classification of Individual Consumption According to Purpose for compiling price statistics.

[2] Eurostat and others, *Handbook on Residential Property Price Indices* (Luxembourg, 2013).

[3] Available at https://ec.europa.eu/eurostat/documents/7870049/8545612/KS-FT-16-001-EN-N.pdf/9e1bbc9b-8c6f-44a9-b686-1083a7a85a0f.

III. International collection of price data

A. Consumer price indices

13. Under a joint project of IMF and OECD, detailed data on consumer price indices and associated weightings for each of the 12 divisions of the Classification of Individual Consumption According to Purpose for the series on national consumer price indices and on harmonized index of consumer prices are collected monthly and are available on the websites of IMF[4] and OECD.[5] Data are currently available for more than 150 countries, and efforts are ongoing to expand the coverage. Improvements will also continue to be made to the dissemination of those data. The combined IMF-OECD effort will allow for the sharing of consumer price index data among international organizations and will ease the response burden on national statistical offices and central banks.

B. Residential property prices

14. The Bank of International Settlements and OECD have lengthy experience in collecting and disseminating data on residential property prices, sourced from official statistics or from private producers. The above-mentioned Handbook on Residential Property Price Indices has given momentum to the development of residential property price indices, as part of the work package of official statistics. Official data are now being published by Eurostat[6] on the basis of a regulation that is binding for all European Union member States and, combined with their previous dissemination practices, the Bank of International Settlements[7] and OECD.[8] To further align the collection and dissemination practices of international organizations on residential property prices, a working group on house prices has been formed under the umbrella of the Group of 20 Inter-Agency Group on Economic and Financial Statistics (see below). That working group, whose membership consists of representatives from the Bank of International Settlements, the European Central Bank, Eurostat, IMF, OECD and the World Bank, closely coordinates its activities with the Intersecretariat Working Group on Price Statistics. One of the main outcomes of the working group was the development of a concrete template for the compilation of internationally comparable data on residential property price indices and related housing indicators. Under the guidance of the Inter-Agency Group, that template was endorsed at the Group of 20 thematic workshop on residential property price indices and commercial property price indices, held in Argentina in January 2018. The collection of national data according to the agreed template began in 2018 for European Union countries, OECD member States and Group of 20 countries, with the aim of expanding the coverage of countries and indicators.

C. International Comparison Programme

15. At its forty-seventh session, the Statistical Commission instituted the International Comparison Programme as a permanent element of the global statistical

[4] See http://data.imf.org/CPI.

[5] See https://stats.oecd.org/Index.aspx?DataSetCode=PRICES_CPI.

[6] See https://ec.europa.eu/eurostat/web/housing-price-statistics/data/database.

[7] See www.bis.org/statistics/pp.htm.

[8] See http://stats.oecd.org/Index.aspx?DataSetCode=RPPI_TARGET (residential property price indices – headline indicators); http://stats.oecd.org/Index.aspx?DataSetCode=RPPI (residential property price indices – complete database); and http://stats.oecd.org/Index.aspx?DataSetCode=HOUSE_PRICES (analytical house price indicators).

programme, to be conducted on a three-year cycle. The most recent data on purchasing power parities published by the Programme are benchmarked to reference year 2011. New data are currently being collected during a three-year span (2016–2018), with a mid-cycle reference year of 2017, and results are due to be published by the end of 2019. An exercise is also under way to estimate a purchasing power parities time series to bridge the results of reference years 2011 and 2017. The next three-year Programme cycle for reference year 2020 will be launched in 2019.

16. Concurrent with the implementation of the 2017 cycle, various research, knowledge and advocacy activities have been carried out. First, a research agenda[9] has been established to guide the future of the International Comparison Programme, and Technical task forces have been established to undertake research into several topics, under the guidance and supervision of the Programme's Technical Advisory Group. Second, a purchasing power parities eLearning course entitled "Fundamentals of Purchasing Power Parities"[10] was created in 2018, and a new Programme blog series has been introduced under the World Bank's Data Blog portal to increase knowledge and understanding of the programme and its data. Third, a new Programme website was launched as a part of continuous efforts to advocate the use of purchasing power parities. Furthermore, various high-level events were held in 2018 to celebrate the programme's fiftieth anniversary, aimed at increasing the visibility and awareness of the Programme. The World Bank's report to the Commission at its fiftieth session, available on its website, provides a comprehensive overview of the programme and related activities.

D. Statistical Data and Metadata Exchange

17. The exchange of price data using the Statistical Data and Metadata Exchange format has been initiated by a technical group consisting of members from Eurostat, ILO, the Bank of International Settlements, OECD, the European Central Bank and IMF, under the umbrella of the Ownership Group for Macroeconomic Statistics. Work on global data structure definitions for consumer price indices (national consumer price indices plus the European harmonized index of consumer prices) was initiated, with a first version released in May 2018.[11] Work on other subdomains will follow, including producer price index, import and export price index, residential property price index and indicators, and commercial property price index and indicators. The Ownership Group was due to discuss next steps in price statistics late in 2018.

E. Group of 20 Data Gaps Initiative

18. The Group of 20 Data Gaps Initiative consists of 20 recommendations to improve statistics in response to the economic and financial crisis. The initiative, governed by the Inter-Agency Group on Economic and Financial Statistics, has recently moved into its second phase. Among the recommendations, two are directly related to price statistics. Under recommendation II.17, on residential property prices, the goal for Group of 20 economies is to publish residential property price indices consistent with the Handbook on Residential Property Price Indices and to supply such data to the relevant international organizations, including the Bank of International Settlements, Eurostat, and OECD. The goal for the Inter-Agency Group, in collaboration with the Intersecretariat Working Group on Price Statistics, is to work

[9] International Comparison Programme, "Research agenda for the 2017 cycle and beyond", May 2017. Available at www.worldbank.org/en/programs/icp#7.

[10] See www.worldbank.org/en/programs/icp/brief/e-learning.

[11] See https://sdmx.org/?page_id=1498 SDMX (CPI).

on a set of common headline residential property price indices, to encourage the production of long time series, to develop a list of other housing-related indicators and to disseminate the headline residential property price data via the Principle Global Indicators website. Under recommendation II.18, on commercial property prices, the objective is for the Inter-Agency Group, in collaboration with the Intersecretariat Working Group on Price Statistics, to enhance the methodological guidance on the compilation of commercial property price indices and to encourage the dissemination of data on commercial property prices via the website of the Bank of International Settlements. The Inter-Agency Group closely cooperates with the Working Group in moving forward on the recommendations.

19. In order to achieve the above objectives, the Working Group on House Prices, in cooperation and consultation with the Intersecretariat Working Group on Price Statistics, has developed and endorsed the above-mentioned template for the compilation of internationally comparable data on residential property price indices and related housing indicators. The template is organized around five topics: residential property price indices; other housing price statistics; residential property markets; housing structural indicators; and construction. It aims at a better understanding of the housing market situation in individual countries.

20. In the context of the Group of 20 Data Gaps Initiative, OECD calculates and publishes a Group of 20 aggregate for consumer price indices on a monthly basis,[12] in addition to a Group of 20 aggregate for economic growth on a quarterly basis.

IV. Meetings and conferences

A. Workshop on residential and commercial property price indices

21. The Group of 20 thematic workshop on residential and commercial property price indices was held in January 2018. The workshop, which was part of the 2018 work programme of the Group of 20 Data Gaps Initiative, focused on the implementation of the two recommendations of the Initiative on the compilation of real estate price statistics (see above). As Argentina held the Group of 20 Presidency in 2018, the event was hosted by the Instituto Nacional de Estadística y Censos de la República Argentina, in Buenos Aires. The workshop was organized jointly by the Bank for International Settlements, Eurostat, IMF and OECD, and was attended by around 80 officials.

22. Workshop participants exchanged views on compilation practices and the use of the residential and commercial property prices for policy purposes, as well as on country-specific challenges. To advance the work, participants agreed to be pragmatic, data-oriented and take account of available private source data. Representatives from several countries shared their experiences with digitization and the use of big data to compile real estate price statistics.

B. International Conference on Real Estate Statistics

23. The International Conference on Real Estate Statistics,[13] organized by Eurostat in close cooperation with the European Central Bank, was scheduled to be held in February 2019 in Luxembourg. The aim was to bring together high-level experts from the statistical community and important stakeholders and address a broad range of conceptual and practical issues relating to residential and commercial real estate

[12] See https://stats.oecd.org/Index.aspx?DataSetCode=G20_PRICES.

[13] See www.ecb.europa.eu/stats/ecb_statistics/real_estate_statistics/html/index.en.html.

statistics, in particular data sources for commercial real estate statistics, the conceptual framework for commercial real estate indicators and recent developments in residential real estate measurement.

24. A Group of 20 workshop on commercial property price indices, held in conjunction with the conference, would provide a platform to discuss the remaining obstacles that stand in the way of achieving the above-mentioned target of recommendation II.18, and the reporting, in the absence of officially compiled commercial property price indices, of related indicators either privately or officially compiled.

C. Eurostat task force on commercial real estate indicators

25. The Eurostat task force on commercial real estate indicators was set up in 2018 to explore the further development of commercial real estate prices and associated indicators. It provides a forum for the exchange of experiences with pilot projects, with a focus on data sources such as valuation data, administrative or survey data and private data sources. The pilot projects in Member States are key to capacity-building in terms of methodological and conceptual issues and the exploration of relevant data sources. The task force should provide input into the further development of long-term solutions for data collection on commercial real estate.

26. The participants of the task force are experts with relevant experience and skills in this field from European Union member States' national statistical institutes and national central banks, as well as from the European Central Bank, Eurostat (Chair), IMF, the Bank of International Settlements and OECD.

D. Group of Experts on Consumer Price Indices

27. The meetings of the Group of Experts on Consumer Price Indices are organized every second year by ECE in cooperation with ILO. The Group supports the development of internationally agreed standards and methods in the field of consumer price indices and provides recommendations on good practices that can be implemented by statistical offices. The meetings are organized under the aegis of the Conference of European Statisticians and are attended by price statisticians from countries that are members of the Conference, while an increasing number of statisticians from African, Asian and South American countries also participate. Experts from international organizations and researchers specializing in index numbers also attend.

28. The 2018 meeting of the Group of Experts on Consumer Price Indices was held in May 2018 in Geneva, hosted by ECE. The 150 participants discussed four substantive topics: new data sources; services in the consumer price indices; methodological issues; and understanding and meeting different user needs. During poster sessions, countries and organizations presented their practical experiences in areas such as big data and web scraping, the use of scanner data, integration of different data sources, adjustment for quality changes, sampling and open source survey apps for price collection. To mark the fortieth anniversary of the Group of Experts, a panel session was organized to discuss future challenges in the compilation of consumer price indices. The panel identified five key methodological issues that should be addressed: the use of scanner data and big data; seasonal products; durable goods; financial services; and goods and services provided for free. A special session was organized for the countries of Eastern Europe, Caucasus and Central Asia and other interested countries to discuss methodological and practical problems particular

to that group of countries. The proceedings of the meeting are available from the ECE website.[14]

29. The next meeting of the Group of Experts on Consumer Price Indices is proposed for 2020 and will discuss the following topics: new data sources; the digital and sharing economy; measuring welfare and well-being; quality adjustment and other methodological issues; and understanding and meeting user needs.

E. Ottawa Group on Price Indices

30. The Ottawa Group on Price Indices focuses on applied research, particularly (though not exclusively) on consumer price indices. The Group examines advantages and disadvantages of various concepts, methods and procedures in the context of realistic operational environments. Participants are specialists and practitioners from national statistical offices and international organizations. The Ottawa Group meets every second year, alternating with the biennial meetings of the Group of Experts on Consumer Price Indices. The proceedings of the meetings are available from the Ottawa Group's website.[15] The Ottawa Group, being a city group of the United Nations, reports separately to the Statistical Commission. More details of the Group's work are available in its report to the Statistical Commission at its fiftieth session, available on the Commission's website.

V. Conclusion

31. **The Intersecretariat Working Group on Price Statistics requests the Statistical Commission:**

(a) **To take note of the progress made by the Intersecretariat Working Group on Price Statistics;**

(b) **To urge Member States to provide timely input into the global consultation on the updated Consumer Price Index Manual in 2019;**

(c) **To request the Working Group submit to it the updated Consumer Price Index Manual for its endorsement at its fifty-first session.**

[14] See www.unece.org/index.php?id=46772.

[15] See www.ottawagroup.org.

United Nations E/CN.3/2019/14

Economic and Social Council

Distr.: General
19 December 2018

Original: English

Statistical Commission
Fiftieth session
5–8 March 2019
Item 3 (k) of the provisional agenda*
Items for discussion and decision: International Comparison Programme

Report of the World Bank on the International Comparison Programme

Note by the Secretary-General

In accordance with Economic and Social Council decision 2018/227 and past practices, the Secretary-General has the honour to transmit the report of the World Bank on the International Comparison Programme (ICP), which is being submitted to the Statistical Commission for discussion. The report outlines the activities undertaken in 2018 at the global, regional and national levels to implement the 2017 comparison cycle and transform ICP into a permanent programme. The report describes the governance, capacity-building, research, knowledge and advocacy activities carried out in this regard. The Commission is invited to take note of the progress made in implementing the 2017 cycle and the outstanding risks; urge national, regional and global agencies to complete the 2017 cycle activities without further delays; advise ICP stakeholders to initiate preparations for the 2020 cycle; and impress upon national, regional and global agencies the need to incorporate ICP into their regular statistical work programmes so as to ensure its sustainability as a permanent programme.

* E/CN.3/2019/1.

18-21128 (E) 311218

Please recycle

I. Executive summary

1. The International Comparison Programme (ICP) celebrated its fiftieth anniversary in 2018. Over five decades, ICP has grown from a small research project to the largest permanent statistical programme in the world, with nearly 200 economies and multilateral agencies participating.

2. The most recent purchasing power parity/parities (PPP/s) published by the Programme are benchmarked to reference year 2011 and new data were collected over the three-year span from 2016 to 2018, with a mid-cycle reference year of 2017. The results from this 2017 cycle are due to be published by the end of 2019. An exercise is also under way to estimate a PPP time series that bridges between the reference years 2011 and 2017. A new three-year ICP cycle for reference year 2020 will be launched in 2019.

3. A total of 175 countries are participating in the ICP 2017 cycle. By October 2018, 165 countries had submitted preliminary household consumption price data to the World Bank Global ICP Unit. Data quality assessment is under way at the national, regional and global levels. Delays in initiating ICP 2017 activities in some regions and countries permit less time to conduct data validation activities than in previous ICP rounds. However, the first assessment of the 2017 cycle input data revealed more robust data at this early stage than in previous rounds. In addition, innovative validation approaches that leverage data visualization were developed to increase the efficiency of ICP quality assurance processes.

4. The Governing Board, Inter-Agency Coordination Group and Technical Advisory Group constitute the ICP governance bodies. They convened, and reported as planned, throughout 2018. The sharing of expertise among the ICP community continues to grow, with the number of capacity-building workshops and technical assistance missions expanding in all regions. The ICP research agenda led by the Technical Advisory Group is gaining momentum, with three task forces conducting research on 6 out of 13 identified specific topics. On resource mobilization, additional funding was secured in 2018 from the Arab Fund for Economic and Social Development to support Arab countries.

5. The revamped ICP website was designed to answer the majority of questions a visitor to the site may have, while the eLearning course on the fundamentals of PPPs, launched in March 2018, takes practitioners through all aspects of PPP methodology. By October 2018, around 290 people had enrolled in the course. A new ICP blog series within the World Bank's data blog platform was launched in September 2018, which invites ICP producers and users from across the globe to share ideas on innovations in data collection, compilation, curation and dissemination, and catalyses discussions on methodology and how to widen the applications of PPPs.

6. Outreach by the Global ICP Unit resulted in greater visibility for the Programme. Events marking the Programme's fiftieth anniversary in New York, Washington, D.C., and Beijing raised awareness of ICP across the international development community and beyond. The quarterly ICP Highlights newsletter has a readership spanning academia, international and regional institutions, national Governments, research bodies and other PPP users and producers.

7. The use of PPPs continues to expand. The World Bank Group now incorporates PPPs into its dynamic formula [1] for computing the shareholding rights of the International Bank for Reconstruction and Development member countries. Monitoring of progress towards the 2030 Agenda for Sustainable Development

[1] World Bank and International Monetary Fund, "Dynamic formula: report to Governor's annual meetings 2016", 20 September 2016.

continues apace and PPPs feature in the official indicators for 5 of the 17 goals and their targets, as well as many other associated indicators. In particular, analysis of Goals 1 and 10, and the World Bank's twin goals of reducing poverty and boosting shared prosperity, benefited from new poverty estimates released in September 2018 by the World Bank, which use international poverty lines defined by PPPs. Numerous analyses by research bodies, the development community, academia and the media rely on PPPs for their cross-country comparisons.

8. Despite all this progress, some risks to the ICP 2017 cycle persist and need to be addressed. By October 2018, 10 countries were late in submitting household consumption price data and about 100 countries were still conducting their surveys and compilations for housing, government compensation and gross capital formation. Efforts to ensure data quality and assess comparability over time continue to require more validation and technical assistance at all levels. Any further delay in activities would put the planned release of the 2017 results by the end of 2019 at risk.

9. Looking beyond the ICP 2017 cycle, preparations for the ICP 2020 cycle will be initiated in 2019. This includes ensuring that both the necessary funding and administrative arrangements are in place to allow data collection to begin without delay.

10. In conclusion, ICP continues to build upon its vital role of producing PPPs and related indicators, allowing meaningful comparisons to take place across economies. However, for it to thrive over the long term, ongoing advocacy to policymakers and mainstreaming ICP activities into regular statistical programmes at the national, regional and global levels are critical.

II. Introduction

11. In 2018, ICP celebrated its golden jubilee with a series of events and reflections across the globe. The Programme was initiated 50 years ago as a modest research project between the United Nations and the University of Pennsylvania, with financial contributions from the Ford Foundation and the World Bank; its aim was to set up a regular programme of PPP-based comparisons of gross domestic product (GDP). Since 1968, ICP has evolved into the largest statistical partnership in the world, with an increasing number of participating countries. At its forty-seventh session, in March 2016, the Statistical Commission instituted ICP as a permanent element of the global statistical programme, to be conducted on a three-year cycle.

12. The ICP 2017 cycle was initiated successfully at the national, regional and global levels with data collection taking place from 2016 to 2018. Additionally, some regions undertook interim comparisons between the 2011 round and the 2017 cycle. The results for the reference year 2017 are due to be published by the end of 2019. In addition, global PPP time series bridging benchmark results for 2011 and 2017, incorporating interim regional results where possible, will be produced. However, delays in initiating survey activities in some regions and countries have posed risks to the timeliness, coverage and quality of the expected results. Thus, ICP stakeholders have increased their efforts to mitigate these risks and ensure a successful 2017 cycle that will place the permanent ICP programme on a strong footing.

13. The present report provides a comprehensive update on the activities undertaken from October 2017 to October 2018. It is organized into seven sections as follows: governance and coordination; programme implementation; research and innovations; knowledge and advocacy; uses of PPPs; financial status; and risks and mitigation measures.

III. Governance and coordination

A. Statistical Commission

14. The Statistical Commission is the ultimate stakeholder of ICP, deciding the frequency and operational modality of the Programme.

15. At its forty-ninth session, held in New York from 6 to 9 March 2018, the Statistical Commission took note of the progress report of the World Bank, in which the ICP activities undertaken at the global, regional and national levels to complete interim comparisons, launch the implementation of the 2017 cycle and transform ICP into a permanent element of the global statistical work programme were outlined. Countries commented on the report, indicating their commitment to ICP, the usefulness of the Programme and the importance of integrating ICP surveys into national statistical work programmes.

B. Governing Board

16. The Governing Board sets the policies that govern the production of regional and global PPPs, approves the Programme's methodology and any methodological improvements, advocates to policymakers to ensure the ongoing inclusion of ICP in national statistical work programmes and helps with ICP fundraising.

17. The third meeting of the Governing Board[2] took place on 25 October 2018 in the United Arab Emirates. The Board reviewed and discussed the global and regional progress of the 2017 cycle of the Programme, outstanding risks and related mitigation measures and preparations for the ICP 2020 cycle. The fourth meeting of the Board is scheduled for March 2019 in New York.

C. Technical Advisory Group

18. The Technical Advisory Group assures the methodological soundness and overall quality of the PPP estimates, ensures transparency of the PPP estimation process and supports the establishment of a permanent ICP with greater frequency.

19. The second meeting of the Technical Advisory Group[3] took place on 23 May 2018, in Washington, D.C. The Group discussed the progress of the 2017 ICP cycle and the ICP research agenda and reviewed the progress made by the various ICP task forces[4] that tackle specific topics on the research agenda.

20. The Group discussed selected proposals, including an approach for interpolating between benchmark years, new data sources for productivity adjustment for labour and improving housing quality indicators. The Group noted that there may be a need to recalculate the ICP 2011 results, since the Eurostat-Organization for Economic Cooperation and Development (OECD) programme revised their PPP time series and several countries revised, in some cases significantly, their GDP expenditures since the publication of the ICP 2011 results. The third meeting of the Group is scheduled for May 2019 in France.

[2] See www.worldbank.org/en/programs/icp/brief/gb-meetings.
[3] See www.worldbank.org/en/programs/icp/brief/tag-meetings.
[4] See www.worldbank.org/en/programs/icp/brief/taskforces.

D. Inter-Agency Coordination Group

21. The Inter-Agency Coordination Group is the coordinating body that collaborates on establishing timetables and workplans, develops common standards, methods and protocols and agrees upon operational aspects of the Programme.

22. A meeting of the Coordination Group principals[5] took place on 4 March 2018 in New York, in conjunction with the forty-ninth session of the Statistical Commission. At the meeting, updates on global and regional ICP activities and related risk assessment were provided.

23. The fifth meeting of the Coordination Group[6] was held on 14 and 15 March 2018, in Washington, D.C. Attendees discussed global and regional activities and risks, the status of data submissions, feedback on operational materials, regional support needs on gross capital formation surveys, the overall timeline, the publication of results and data access, an update on data processing tools, and outreach, knowledge and PPP use.

24. The sixth meeting of the Coordination Group was held on 24–26 September 2018 in Washington, D.C. Participants discussed global and regional activities and risks and the status of data submissions. A detailed quality assessment of 2017 and interim data was conducted. Finally, the overall timeline, plans for publication and data access were discussed. The seventh meeting of the Coordination Group is scheduled for April 2019 in Washington, D.C.

IV. Programme implementation

A. Overall timetable

25. The timetable for the main surveys for the 2017 cycle, which include collection of prices for household goods and services, varied across regions. Household consumption price surveys began in the first quarter of 2016 and continued until the fourth quarter of 2018. Other data collection and compilation activities, including housing, government compensation and gross capital formation, took place from the second quarter of 2017 to the fourth quarter of 2018. National accounts expenditure data compilation started in the first quarter of 2017 and will continue until the third quarter of 2019. Global results for 2017 are due to be published by the end of 2019. In addition, global PPP time series bridging benchmark results for 2011 and 2017, incorporating interim regional results where possible, will be produced. Additionally, given the large revisions in GDP expenditures for some countries after the publication of the ICP 2011 results, the need to revise 2011 results was raised by the Technical Assistance Group and discussed by the Coordination Group and relevant ICP task forces. The plan is to complete the calculation of revised 2011 results by the third quarter of 2019. The overall ICP 2017 cycle timetable is available on the ICP website.[7]

B. Status of regional programmes and capacity-building activities

26. In September 2018, regional implementing agencies, as well as Eurostat and OECD, reported on the progress on the ICP 2017 cycle, on interim exercises, where applicable, and on the compilation of data for PPP time series. The reports covered

[5] International Comparison Program, "Minutes of the Inter-agency Coordination Group principals meeting", 4 March 2018.

[6] See www.worldbank.org/en/programs/icp/brief/iacg-meetings.

[7] See www.worldbank.org/en/programs/icp.

country participation, the schedule of price surveys and national accounts activities, capacity-building workshops and technical assistance missions, quality assessment efforts, and the calculation of final results, as well as efforts to increase ICP advocacy and awareness in their respective regions.

Africa

27. The African Development Bank (AfDB) reported that 50 countries were participating in the 2017 cycle; Egypt, Morocco and the Sudan are participating in both the Africa and Western Asia regional comparisons. Some additional countries, such as Libya and South Sudan, as well as Somaliland, are benefiting from capacity-building activities, but are not taking part in the 2017 regional comparison.

28. The household consumption price surveys for the 2017 cycle for all 50 countries were completed by the end of November 2018. By October 2018, data from 40 countries had been submitted to the Global ICP Unit. Efforts were under way to receive data from the remaining 10 countries, namely Angola, Burkina Faso, Cape Verde, Equatorial Guinea, Gabon, Ghana, Guinea, Liberia, Madagascar and Nigeria. Other data collection on non-household items and data validation were ongoing at various stages across the region; technical assistance was offered to the countries that were lagging. On national accounts, GDP expenditure aggregates for most countries were expected by the end of 2018 and the subsequent work of providing detailed expenditures, compiling and reviewing the related metadata and finalizing the expenditure data will be completed by July 2019.

29. Preliminary results will be calculated during May to July 2019 and reviewed by the regional experts group and AfDB will strive to release the final results in summary form in December 2019. The main tables of results will be published in electronic form in January 2020 and the final report will be published in July 2020.

30. The region also conducted an interim exercise, whereby household consumption price data were collected by 47 countries from August 2015 until July 2016; 34 of those countries limited their geographical coverage to their capital cities. A meeting of the regional experts group was convened by AfDB in April 2018 in Côte d'Ivoire. The group reviewed the resulting preliminary data and recommended that further data validation and editing take place before a timetable for the publication of the interim comparison results is confirmed.

31. In addition to the meeting of the regional experts group, three additional activities were organized. A regional workshop took place in April 2018 in Togo, a workshop on gross capital formation took place in June 2018 in Côte d'Ivoire and an ICP subregional workshop took place in July 2018 in Kenya.

32. In terms of outreach and awareness raising, an ICP advocacy note was presented to the thirteenth African Symposium on Statistical Development, held 1–4 October 2018 in Ethiopia. In addition, the objectives, methods and uses of ICP form a component of most statistical training and capacity-building activities throughout the region. Countries have also been encouraged to promote ICP alongside their national accounts data releases.

Asia and the Pacific

33. The Asian Development Bank (ADB) reported that 22 countries were taking part in the 2017 cycle. The household consumption data collection began in the period April to August 2017 and covered a 12-month cycle for each country. Thus, the prices collected in 2018 were retropolated to the reference year 2017. Data collections for gross capital formation were conducted during the last quarter of 2017 and the first quarter of 2018. Housing rental surveys were collected in 2018, while data for housing

volume and government compensation were collected in the second half of 2018, with 2017 as the reference year.

34. In addition, 20 countries participated in the interim update exercise for 2016. Preliminary price and GDP data, as well as elementary PPPs, were submitted to the Global ICP Unit in August 2018 for global validation purposes.

35. Regional training and data validation workshops were held on a quarterly basis during 2017 and 2018, mainly in Thailand. Country training was provided by ADB on demand to China and Myanmar in 2017 and ADB distributed guidelines for countries covering key concepts of ICP and PPPs, as well as guidelines for household consumption survey operations. Additionally, specific technical and operational guidelines for non-household surveys and GDP were distributed. A regional workshop conducted in October 2018 reviewed concepts and practices on national accounts and government compensation and validated housing rental data, and a workshop to review price and detailed national accounts expenditure data for 2017 took place in December 2018.

36. Price data from both the interim update exercise and the 2017 cycle are expected to be finalized in the second quarter of 2019 and national accounts expenditure data for both the interim update exercise and 2017 cycle will be finalized in the third quarter of 2019, with the release of results tentatively in line with the global timetable of December 2019.

37. In terms of outreach and advocacy, ADB continues to encourage countries to harmonize their consumer price index (CPI) activities with those of ICP and to institutionalize the Programme in their national statistical plans.

Commonwealth of Independent States

38. The Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT) reported that eight countries of the Commonwealth of Independent States (CIS) participated in the interim 2014 comparison. The final results were released in April 2017 and the statistical abstract[8] presenting detailed results was published in June 2017.

39. The same eight countries joined the 2017 cycle. The Russian Federation is participating in both the CIS and OECD comparisons. Moreover, discussions with Turkmenistan and Uzbekistan are under way but their participation is not yet officially confirmed.

40. Data collection for the 2017 cycle on both household consumption and gross capital formation took place in 2017. Guidelines on investment items were sent to national statistical offices in June 2017 and the data reviewed in December 2017. A regional expert meeting took place in May 2018 and reviewed price data and preliminary PPP estimates for household consumption. Technical assistance to Tajikistan took place in June 2018.

41. Guidelines on housing rents, housing volume and government compensation were distributed in March 2018 and data collection was carried out in late 2018. Guidance on the disaggregation of GDP by expenditures was also circulated and the data will be the focus of a regional workshop in April 2019. Additionally, the region held a meeting in December 2018 to discuss 2008 System of National Accounts (SNA) issues related to the 2017 cycle. The detailed national accounts expenditure data for 2017 will be finalized by the third quarter of 2019.

[8] Interstate Statistical Committee of the Commonwealth of Independent States, *2014 International Comparison of CIS Countries' GDP Based on Purchasing Power Parities* (Moscow, 2017).

42. Summary results are expected to be released in the last quarter of 2019, while detailed results will be published in the second quarter of 2020.

43. Efforts are being made by CIS-STAT to increase knowledge and use of ICP and PPPs. A paper[9] on the Programme appeared in a key journal on statistics and research and the International Association for Research in Income and Wealth special conference to be held in September 2019 in Moscow will host a session on PPPs, catalysing a dialogue between producers and users.

Latin America and the Caribbean

44. The Economic Commission for Latin America and the Caribbean (ECLAC) reported in September 2018 that, while 37 countries were officially participating in the region's 2017 cycle, data had been received from 35 countries, including the recent additions of Argentina and Honduras. The pending cases are Sint Maarten and Guatemala and ECLAC was discussing with these countries the possible submission of their data before the end of 2018. Neither Cuba nor Venezuela (Bolivarian Republic of) are participating and Colombia and Costa Rica, which were part of the Latin America and the Caribbean comparison in 2011, are now covered by the OECD programme.

45. Guidance and price lists were circulated between June 2017 and July 2018. Data collection on household consumption items started in the first quarter of 2018, with some delay in many countries. Data collection for non-household items took place between July and October 2018. The region trialed data collection for housing rents via web scraping and will compare the preliminary results with traditional collection methods. Detailed estimates of national accounts expenditure data for 2017 will be finalized in the first quarter of 2019 and the calculation of preliminary regional results will be completed by the second quarter of 2019, at which time it will be shared with the Global ICP Unit.

46. An ICP technical meeting took place in May 2018 in Panama, at which price statisticians reviewed initial household survey prices and were introduced to the non-household survey forms. In addition, at sessions with national accountants ICP national accounts requirements were discussed. Country missions took place in both Guyana and Montserrat in July and August 2018. A workshop in October 2018 in Trinidad provided help on GDP expenditure methodology to Caribbean countries. A technical meeting to review household and non-household survey prices took place in Bogota in December 2018.

47. The final regional results and findings are expected to be published in the last quarter of 2019 in line with the global schedule. While no new data collections have taken place in the interim period, ECLAC is using existing national data provided by the countries on GDP, CPIs, exchange rates and population to estimate an interim time series bridging the 2011 and 2017 results.

48. In terms of outreach, ECLAC has presented plans for the implementation of a rolling survey approach for future ICP cycles at a number of high-level meetings and is anticipating showcasing the results of its web-scraping pilot.

Western Asia

49. The Economic and Social Commission for Western Asia (ESCWA) reported that 12 countries in Western Asia were participating in an interim regional comparison.

[9] Andrey Kosarev and Sergey Sergeev, "Linking ICP regions with double participation using the 'partially-multilateral' approach (2014 CIS ISP experience)", paper prepared for the thirty-fifth general conference of the International Association for Research in Income and Wealth, Copenhagen, August 2018. Available at www.iariw.org/copenhagen/kosarev.pdf.

Increased national capacities have provided the region with an opportunity to refine its entire PPP time series and report more accurate, high quality indicators. Improved collection, validation and reviewing mechanisms, together with the availability of more recent household budget data for expenditure estimates, contributed to this. The regional results are currently being finalized for the years 2014–2016 and are expected to be published in the fourth quarter of 2018, alongside revised data for the years 2011 to 2013.

50. A total of 12 countries are participating in the 2017 cycle in the Western Asia region. Egypt, Morocco and the Sudan are participating in both the Africa and Western Asia regional comparisons. Libya is not joining the 2017 cycle because of impeding geopolitical situations, but an anticipated statistical capacity-building exercise is planned to be held in 2019. The data collection process is complete and progress is being made in the activities for the 2017 cycle on the basis of the established timetable. Detailed estimates for national accounts expenditure data for 2017 will be available in the fourth quarter of 2018. Final regional results are expected to be published in December 2019.

51. A total of three regional workshops were held between December 2017 and April 2018 in Turkey: a workshop to validate national accounts expenditure data for 2014–2016 was held in December 2017; a workshop to finalize 2014–2016 price data was held in February 2018; and a workshop to review preliminary results for 2014–2016 was held in April 2018. Additionally, an ICP session within a workshop on the assessment of price statistics and harmonization of price indices took place in September 2018 in Egypt. The Global ICP Unit also hosted a workshop to train trainers on PPP computation for the ESCWA team in June 2018 in Washington, D.C. Two national training workshops for the United Arab Emirates were held in December 2017 and January 2018. Regional workshops for the validation of 2017 price and national accounts expenditure data took place in December 2018.

52. Some countries in Western Asia have integrated the ICP tasks within their regular work programmes, such as pricing ICP items within their national CPI process. As a result, they are seeing the benefits of more frequent annual data collection. The ICP non-household surveys have catalysed some countries to develop their own specific indices such as a construction price index. Building greater awareness of ICP and PPPs in the region has been energized through regional newsletters and a new website, as well as initiatives to integrate ICP activities with other price statistics. National agencies have also been making efforts to promote ICP and PPPs.

Eurostat-Organization for Economic Cooperation and Development

53. Eurostat and OECD execute a regular programme to produce annual PPP estimates according to a well-established timetable. A total of 49 countries are participating in the Eurostat-OECD PPP programme in the 2017 cycle; 37 are coordinated by Eurostat, while 12 countries are coordinated by OECD, including Colombia and Costa Rica, which have moved from the Latin America and the Caribbean comparison. The Russian Federation is participating in both the CIS and OECD comparisons. The regional results for the Eurostat-OECD programme will be available in the last quarter of 2019.

54. Two regional workshops were held in May 2018 in France. The OECD meeting discussed the annual calculation of PPPs, progress of the 2017–2018 PPP surveys and the specific requirements of the ICP 2017 cycle. Participants at the Eurostat-OECD workshop discussed national practices for calculating national annual average prices, spatial adjustment factors, integrating PPP and CPI activities, new data sources and PPPs, and PPP calculation methods, among other topics.

Special participation cases

55. Georgia and Ukraine are participating in the ICP 2017 cycle and will be linked to the global comparison through the Eurostat comparison. National workshops for these two countries were held in April and October 2018 to validate their data and calculate their preliminary results.

56. In addition, the Islamic Republic of Iran will be linked to the global comparison through the Western Asia comparison. In this regard, a workshop was conducted in October 2018 in Turkey to discuss participation by the Islamic Republic of Iran in the 2017 cycle and to validate its data.

C. New operational materials

57. As part of its efforts to provide technical assistance to regions and countries in improving data quality, the Global ICP Unit developed a new set of operational guidelines and materials for validating national accounts expenditures and housing data. For the former, intracountry and intercountry validation tools were updated from the 2011 version to accommodate the new ICP classification and to include more enhanced validations. For the latter, the Unit developed a housing volume data validation tool as well as a comprehensive validation tool, which uses housing rental, volume and expenditure data for a more comprehensive analysis. The four tools were discussed at the Inter-Agency Coordination Group and housing task force meetings in September 2018 and are currently being used in regional validation workshops.

V. Research and innovations

A. Research agenda

58. At its forty-seventh session, in 2016, the Statistical Commission recommended that no methodological changes be introduced for the ICP 2017 cycle so as to maintain comparability over time and allow for producing reliable PPP time series. However, to fine tune the methodology and guide the future of ICP, it was agreed to set a research agenda focusing on: (a) building consistent PPP time series; (b) improving PPP reliability and quality; (c) addressing difficult-to-measure areas, such as housing and government services; (d) strengthening alignment between PPPs and national statistical programmes; (e) advocating wider uses and applications of PPPs; and (f) exploring innovations in technology and new sources.

59. Thus, an ICP research agenda was put forth by the Inter-Agency Coordination Group in September 2016, approved by the Technical Advisory Group in May 2017 and endorsed by the Governing Board in September 2017. The ICP research agenda covers the following 13 items identified by the Advisory Group: (a) compilation of PPP time series and the rolling survey approach; (b) PPPs and real expenditures for dwelling services; (c) productivity adjustment for government and construction labour; (d) fine-tuning global linking procedures; (e) quality and reliability of PPPs; (f) uses of PPPs for national and international policymaking; (g) CPI-ICP synergies and subnational PPPs; (h) PPPs for exports and imports; (i) PPPs for construction; (j) PPPs for health and education; (k) PPPs and global poverty measurement; (l) exploring innovations in technology and data sources for PPP measurement; and (m) accounting for product quality differences in PPP measurement.

60. By October 2018, research had been initiated for the agenda items covering the

global linking procedures, CPI-ICP synergies and subnational PPPs and, to a limited extent, PPP uses, and PPPs and poverty measurement.

B. Task forces

61. The Technical Advisory Group has established task forces to undertake research into the above-mentioned technical items on the ICP research agenda and support the computation of ICP results. The following three task forces were established in 2017: (a) PPP compilation and computation; (b) housing; and (c) country operational guidelines and procedures. The meetings of the task forces have largely been organized in conjunction with the Inter-Agency Coordination Group meetings to maximize the benefit of the presence of regional implementing agencies to tackle operational aspects.

62. The first meeting of the task force on PPP compilation and computation[10] was held in October 2017 in Washington, D.C. The main objective of the meeting was to initiate discussions on: (a) building PPP time series for the interim period; (b) linking interim regional updates into a global comparison; (c) fine-tuning global linking procedures; and (d) providing productivity adjustment factors for government and construction labour. The second meeting was held in March 2018 in Washington, D.C., to review the progress to date on the ICP research agenda topics assigned to the task force. The task force convened for a third meeting in September 2018, again in Washington, D.C., and discussed: (a) a proposal for producing interpolated PPP time series for the years between reference year comparisons; (b) the need for recalculating the ICP 2011 results; and (c) new data sources for estimating productivity adjustment factors.

63. Moreover, a task team[11] on data quality assurance for the PPP time series was formed with the International Monetary Fund (IMF), the Statistics Division of the Department of Economic and Social Affairs of the Secretariat and the World Bank as members. The task team held its first meeting on 13 June 2018 and its second meeting in conjunction with the Inter-Agency Coordination Group meeting on 26 September 2018, both in Washington, D.C. Attendees reviewed the availability and quality of input data and metadata needed for building interpolated PPP time series for the period 2011–2017, including GDP expenditures, CPIs, deflators, population, exchange rates and SNA metadata.

64. The first meeting of the task force on housing[12] was held in October 2017 in Washington, D.C. At the meeting, discussions were initiated on PPPs and real expenditures for dwelling services. The second meeting was held in March 2018 in Washington, D.C., to discuss the agreed-upon tasks from the first meeting and discuss plans for the task force's final deliverables. A housing metadata questionnaire was finalized with inputs from the task force and distributed to regions in April 2018. The task force convened for a third meeting in September 2018, again in Washington, D.C., and discussed progress on: (a) housing data collection and validation steps; (b) updated research on housing quality indicators; (c) linking regions for housing volumes; and (d) fine-tuning dwelling type definitions.

65. The first meeting of the task force on country operational guidelines and procedures[13] was held in October 2017 in Washington, D.C. Participants discussed the topics assigned to the task force, including moving towards rolling price surveys,

[10] See www.worldbank.org/en/programs/icp/brief/tf01.

[11] See www.worldbank.org/en/programs/icp/brief/tf01.

CPI-ICP synergies to improve spatial and temporal price consistency, and subnational PPPs. A second meeting was held in March 2018 in Washington, D.C., to present and discuss the agreed-upon tasks from the first meeting and to lay out the initial groundwork for the task force's final deliverables. The task force convened for a third meeting in September 2018, again in Washington, D.C., and discussed contributed notes and case studies on: (a) rolling price surveys and ICP; (b) subnational PPPs; and (c) CPI-ICP synergies, and agreed on the content and structure of the forthcoming country guidelines documents on subnational PPPs and CPI-ICP synergies.

66. The demand for subnational PPPs is increasing; projects are under way in various countries, including India, the Philippines, South Africa, the United Arab Emirates and Viet Nam. The compilation of subnational PPPs provides national policymakers with an important tool for comparison within different regions of the country, as well as rich insights that allow for informed and impactful policy decisions. Subnational PPPs are often used for adjusting the national poverty line along with comparing cost of living differences across regions within a country. These data can also be used for setting minimum wages or salaries and the measurement of income inequality across regions of the country.

67. A side meeting on the World Bank global poverty monitoring programme and PPPs was organized by the Global ICP Unit in May 2018 in Washington, D.C., in conjunction with the second meeting of the Technical Advisory Group. At this side meeting, discussions were initiated on the ICP research agenda item on PPPs and poverty measurement and the World Bank's global poverty monitoring programme, and how these two work programmes can interact. This meeting can be considered a preparatory meeting for the task force that would tackle the research agenda item on PPPs and global poverty measurement.

68. Additionally, a task force on the uses of PPPs for national and international policymaking will be established at the start of 2019. The Global ICP Unit has been undertaking the groundwork for the work of this task force by researching and identifying the various uses of PPPs and underlying ICP data, as shown in a subsequent section of the present report.

VI. Knowledge and advocacy

A. Advocacy surrounding the fiftieth anniversary of the International Comparison Programme

69. The fiftieth anniversary of ICP was celebrated in 2018,[14] and the community used this milestone to raise awareness of the Programme's role and its outputs. In this regard, events were held around the forty-ninth session of the Statistical Commission in March 2018 in New York, including a reception for Commission delegates and a video and poster exhibition.

70. This was followed in May 2018 by a celebratory event at the World Bank in Washington, D.C., at which Sir Angus Deaton, 2015 Nobel Prize laureate in economics and Chair of the ICP Technical Advisory Group, delivered the keynote speech emphasizing how PPPs were crucial to measuring economies and poverty in 1968 and remain the cornerstone of today's future-looking agenda for sustainable development. Kristalina Georgieva, Chief Executive Officer of the World Bank Group, Larry Summers, seventy-first Secretary of the United States Treasury, Robert M. Groves, Georgetown University Provost, and Alan Heston, ICP founding member,

among others, also spoke of the evolution and current relevance of ICP. The event was streamed live, allowing a global audience to follow the proceedings.

71. Outreach materials, such as an ICP video summarizing the history and importance of the Programme and a series of posters, were prepared and showcased. Also, many participating countries provided testimonials on the impact and relevance of the Programme.

B. Knowledge material

72. The PPP eLearning course on the fundamentals of PPPs[15] was officially released in March 2018. The course consists of 5 sections and 17 modules covering broad topics related to PPPs, including concepts, data requirements, methodology, calculations and uses. This interactive course serves a large audience, including policymakers, international organizations, researchers, students and the general public who wish to enhance their knowledge of PPPs. The course is delivered through the World Bank online open learning campus, a web-based destination for development learning. In the first six months since its launch, around 290 people have enrolled. The course was also used in regional and national workshops to train government officials.

73. In late 2018, the Global ICP Unit launched an ICP blog series under the World Bank's data blog portal, which invites authors to explore ideas and issues under the ICP umbrella, including innovations in data collection, compilation, curation and dissemination, discussions on methodology, as well the use of PPPs in the growing world of development data.

C. Outreach material

74. As a part of its continuous efforts to promote the use of PPPs, the Global ICP Unit launched a new ICP website in April 2017, as previously reported. Over the reporting period, materials were made available on the website both to promote all aspects of ICP and to maintain the transparency of the Programme. The website contains links to a repository of over 1,100 files that provide an overview of the Programme and its history, governance structure, results and their uses, methodology and research agenda. The website also makes available information and documentation of ICP governance meetings, ICP reports, manuals, videos, newsletters and links to media articles, academic and research papers and major publications using ICP data and results.

75. The Global ICP Unit has lately rebranded its quarterly newsletter as "ICP Highlights".[16] With a new user-friendly platform, the newsletter continues to provide information covering ICP governance, capacity-building and outreach activities, as well as information on the latest uses of ICP and PPP data.

D. International conferences and seminars

76. The Programme was showcased at the World Bank booth at the United Nations World Data Forum in October 2018 in the United Arab Emirates. It was also centre stage at two conferences held in late 2018 in China, one on the theme "Fifty years of the International Comparison Programme: achievements and moving forward", held

[15] See www.worldbank.org/en/programs/icp/brief/e-learning.

in October 2018, and one on the theme "Intracountry comparisons of poverty and living conditions: measuring well-being at the local level for public policy with a focus on China", held in December 2018.

77. The sixteenth meeting of the Ottawa Group will be held in May 2019 in Brazil, and PPPs will be on the agenda, with a special focus on the integration and consistency of ICP and CPIs. Additionally, a session on the theme "PPP-based comparisons across and within countries" will be organized within the International Association for Research in Income and Wealth special conference in September 2019 in the Russian Federation.

78. A comprehensive list of ICP-related conference and seminars is maintained on the ICP website.

VII. Use and applications of purchasing power parities

79. Both PPPs and underlying ICP data are utilized for a plethora of analyses at the global, regional and national levels and cover many themes under the economic, environmental and social development umbrellas. Cross-country and temporal studies employ PPPs for consistent, robust and meaningful data outputs, used not only by the development community and researchers, but by policymakers, the media and the wider public.

80. In order to gauge the frequency of data use, a recent review of how often "purchasing power parity/ies" appeared online over a month in 2018 was carried out using the Factiva research tool, which accesses 36,000 online sources. The term(s) appeared in over 500 references during the period and included around 115 articles by major media news outlets. India, China and the United States of America were mentioned most often, while around 80 other countries were also referenced. Reports by the international development community, for example the United Nations, the International Labour Organization (ILO), IMF, the International Energy Agency, the World Health Organization and the World Bank to name a few, and papers from other research bodies and academic outlets also contributed to this total. Factsheets and forecasts for individual countries made up about 150 of the monthly total.

81. Recent analyses have used PPPs to compare the volume of national economies using GDP in PPP terms. It is encouraging to see GDP in PPP terms used more widely and correctly for cross-country comparisons, instead of GDP in exchange rate terms, in many articles and journals. The Global ICP Unit has produced a variety of leaflets, videos and blogs explaining these different measures of the economy, which are widely distributed though World Bank channels and linked from the ICP website.

82. Use of GDP in PPP terms allows a measure of energy efficiency for Sustainable Development Goal target 7.3: energy intensity, the reciprocal of efficiency, is calculated as the amount of energy used to produce one dollar's worth (in PPPs) of goods and services and a recent analysis [17] illustrates how this differs between countries. Similarly, target 9.4 strives for clean and environmentally sound technologies and industrial processes and monitors carbon dioxide emissions per unit of GDP expressed in United States dollars constant 2010 PPP. The World Economic Forum's Global Competitiveness Index relies on GDP in PPP terms to establish both

[17] World Bank and others, "Energy efficiency", in *Tracking SDG 7: The Energy Progress Report*

domestic and foreign market size for the index's tenth pillar. Additionally, PPPs have been used to compare the economies of large cities[18] across the world.

83. In addition, GDP per capita in PPP terms is also used widely, often correlated against other indicators and variables such as monthly income, poverty headcount, social safety net spending,[19] prevalence of stunting,[20] educational enrolment and attainment,[21] productivity (as measured through night-time lights data),[22] waste generation,[23] a "positive peace" measure,[24] attitudes towards globalization,[25] foreign investment[26] and a country's tax burden,[27] for example. The World Bank's indicators of GDP per person employed and gross national income per capita, measured in PPP terms, are similarly used.

84. International poverty lines are expressed using PPPs and reflect the income necessary for, or cost of consuming, the minimum daily nutritional, clothing and shelter needs locally. The lowest of these, $1.90 a day (2011 PPPs) is based upon the national poverty lines of low-income countries, and those living below this line (the "poverty headcount") are considered to be the "extreme poor". Other international poverty lines are based on incomes and consumption levels in lower-middle ($3.20) and upper-middle ($5.50) income countries. These poverty lines, and their associated poverty headcounts, form the basis of much research. For example, ending extreme poverty is the first of the Sustainable Development Goal targets (1.1), and its monitoring over time uses the $1.90 poverty line. The impact of climate change on poverty rates[28] utilizes these PPP poverty lines in investigating potential loss of crops and environmental income across regions.

85. Various analyses convert other monetary values into PPP dollars to enable cross-border comparisons. For example, the value of unpaid care work, minimum wages, government spending on education,[29] the cost of violence and potential savings through reduced child mortality and better nutrition.[30] Notably, mean per capita consumption or income for both the poorest 40 per cent of society and the general population is measured using PPPs to monitor progress towards Sustainable Development Goal target 10.1, which promotes more equitable prosperity over time.

---

[18] Julia Bird and others, *Toward Great Dhaka: A New Urban Development Paradigm Eastward* (Washington, D.C., World Bank, 2018).

[19] Katheleen Beegle, Aline Coudouel and Emma Monsalve, eds., *Realizing the Full Potential of Social Safety Nets in Africa* (Washington, D.C., World Bank, 2018).

[20] Sebastian Vollmer and others, "Association between economic growth and early childhood undernutrition: evidence from 121 demographic and health surveys from 36 low-income and middle-income countries", *The Lancet*, Global Health, vol. 2, No. 4 (April 2014).

[21] Eastern Caribbean Central Bank, "Report on the financial regulations for the foreign service of St. Kitts and Nevis", June 2018.

[22] Maria Marta Ferreyra and Mark Roberts, eds., *Raising the Bar for Productive Cities in Latin America and the Caribbean* (Washington, D.C., World Bank, 2018).

[23] Silpa Kaza and others, *What a Waste 2.0: A Global Snapshot of Solid Waste Management to 2050*, Urban Development Series (Washington, D.C., World Bank, 2018).

[24] Institute for Economics and Peace, *Global Peace Index 2018: Measuring Peace in a Complex World* (Sydney, 2018).

[25] See www.economist.com/graphic-detail/2016/11/18/what-the-world-thinks-about-globalisation.

[26] David Michael Gould, *Critical Connections: Promoting Economic Growth and Resilience in Europe and Central Asia* (Washington, D.C., World Bank, 2018).

[27] The Inefficiency of Inequality (United Nations publication, Sales No. E.18.II.G.11).

[28] Stephane Hallegatte and others, *Shock Waves: Managing the Impacts of Climate Change on Poverty*, Climate Change and Development Series (Washington, D.C., World Bank, 2016).

[29] World Bank, *World Development Report 2018: Learning to Realize Education's Promise* (Washington, D.C., World Bank, 2018).

86. The World Bank's twin goals of ending poverty and boosting shared prosperity mirror Goals 1 and 10 and thus also rely on PPPs to monitor progress.

87. As illustrated in the preceding text, the 2030 Agenda for Sustainable Development uses PPPs in official indicators within 5 of its 17 Goals. Other analyses make use of more PPP indicators to expand on these targets: the World Bank's Atlas of Sustainable Development Goals explores target 3.8, which seeks financial risk protection for people facing health expenses, by monitoring the people pushed below the poverty line by out-of-pocket health care expenditure. The joint ADB/ILO publication *Managing integration for better jobs and shared prosperity* explores the themes of Goal 8 (decent work and economic growth) by using GDP per employed person measured in PPPs to compare productivity throughout the region.

88. The World Bank's Sustainable Development Goals dashboard, as well as the United Nations Sustainable Development Goals Report, track progress over time with indicators using PPPs or analyse global and regional patterns of the resulting data. Similar compendiums focusing on regions include *Key Indicators for Asia and the Pacific, 2018* and the *2017 Africa Sustainable Development Report: Tracking Progress on Agenda 2063 and the Sustainable Development Goals*.

89. Other region-specific applications include an ADB[31] into how a shift of workers from agriculture to other sectors helps lift them above a minimum monthly wage for a family of four calculated using PPPs. The Eastern Caribbean Central Bank used PPPs in its recommendations[32] regarding allowances for foreign service officers in St. Kitts and Nevis. A number of the uses cited in the previous paragraphs refer to regional reports: ECLAC in the publication *The Inefficiency of Inequality* uses PPP dollars to estimate productivity (output per employee) and correlates the tax burden of countries against their GDP per capita measured using PPPs; the *Arab World Competitiveness Report 2018* uses PPPs for market size evaluation; *Critical Connections: Promoting Economic Growth and Resilience in Europe and Central Asia* examines how trade, investment, migration and other linkages among countries drive economic growth in the Europe and Central Asia region. In addition, PPPs are used in analysing foreign direct investment inflows, migration characteristics and travel patterns of citizens; and *North Africa Economic Outlook 2018* examines the macroeconomic performance of the region and the outlook for 2018 and 2019 and explores the relationship between food security and rural poverty. In addition, PPPs are used to establish the population living below various poverty lines, including a region specific one of $2.90 a day, and calculates the average per capita deficit per day.

VIII. Risks and mitigation measures

90. The completion of the 2017 cycle and the transformation of ICP into a permanent programme are susceptible to a number of risks, set out in the following paragraphs.

A. Country participation risks

91. A total of 175 countries are participating in the 2017 cycle, compared with 177 countries that fully participated in the 2011 round. By October 2018, data had been

[31] Arturo Martinez, Rhea Molato Gayares and Mia Kim Maceda Veloso, "It's not only manufacturing – trade services also take workers out of poverty", Asian Development Blog, 13 July 2018.

[32] "Report on the financial regulations for the foreign service of St. Kitts and Nevis"

received from 165 countries and efforts were under way to receive data from the remaining 10 countries.

92. Furthermore, the Caribbean islands suffered the aftermath of a deadly hurricane that delayed the initiation of their ICP surveys; however, 22 islands were effectively conducting their ICP activities in 2018. Argentina is also participating in the 2017 cycle after a long hiatus; the Islamic Republic of Iran, Georgia and Ukraine are conducting special exercises to link them to the global results through specific ICP regions.

93. Despite all efforts, a few countries in Africa, Asia and Western Asia faced unstable geopolitical situations that impeded their participation. Although these risks are very difficult to mitigate, global and regional implementing agencies are committed to building capacity in fragile and conflict States and they continuously encourage countries in those regions to participate in capacity-building activities, even if they are unable to conduct ICP surveys.

B. Timeliness risks

94. The delays in initiating the 2017 cycle survey activities in some regions and countries pose risks not only to the overall timeline, but also to the coverage and quality of the results. In October 2018, out of 175 participating countries, 10 countries were delayed in submitting household consumption price data and about 100 countries were still conducting their surveys and compilations for housing, government compensation and gross capital formation. Moreover, the limited capacity of some national implementing agencies to undertake ICP activities, and that of some regional implementing agencies to provide specialized technical assistance and produce regional ICP results, pose additional risks to the timely release of the 2017 cycle results by the end of 2019.

95. The Inter-Agency Coordination Group, at its meeting in March 2018, discussed these risks and agreed on the following mitigation measures, which were implemented in 2018: (a) the ICP Governing Board Co-Chairs issued letters to all national implementing agencies in May 2018 to urge them to complete the 2017 cycle activities in accordance with the agreed timetable to ensure a successful and timely implementation of the cycle; (b) regional implementing agencies multiplied their follow-up efforts with each country to check the status of their activities and any funding or technical assistance needs; (c) regional implementing agencies ensured that regional workshops were carried out in a timely manner; (d) the Global ICP Unit deployed specialized technical assistance to regional and national agencies to help with the implementation of ICP activities; and (e) regional implementing agencies submitted all available data from the 2017 cycle by the end of July 2018, which allowed the Unit to initiate the global validation process.

C. Quality, comparability and openness risks

96. The quality of ICP results can be affected by various factors, including quality issues of input data, as well as data processing or calculation errors. As a mitigation measure, dedicated task forces were established under the Technical Advisory Group to compute results and assess their quality prior to publication. In addition, a task team on data quality assurance for the PPP time series was established to assess the data availability and quality for the PPP time series and related metadata.

97. The first assessment of the ICP 2017 cycle input data revealed more robust data at an early stage than in previous ICP rounds. In addition, innovative validation

approaches that leverage data visualization were developed to increase the efficiency of ICP quality assurance processes. However, efforts to ensure intraregional and interregional data quality required more validation and technical assistance in various regions.

98. Poor comparability of ICP results over time may limit their usability and hence poses risks to the Programme. Some comparability risks can be mitigated within the Programme. For example, the decision to introduce no major methodological changes in the 2017 cycle improves comparability of ICP results over time. However, some factors that detract from ideal comparability are outside of the Programme's control. For example, there are clear challenges in comparing results over time as countries migrate from some regions to OECD. An assessment of the consistency between the results of ICP 2011 and ICP 2017 will take place as preliminary ICP 2017 results become available.

99. Regarding data access and openness, restricting the openness of ICP data would hinder the value of the Programme in the long run. To mitigate this risk, discussions are ongoing within the Inter-Agency Coordination Group to extend the publication level of ICP results so as to cover more detailed headings and to examine the possibility of providing users with access to more detailed data, while respecting confidentiality constraints and data quality limitations

D. Financial and sustainability risks

100. The 2017 cycle faced challenges with the timely channelling of funds between donors, implementing agencies and countries because of increased layers of administrative processes or the ineligibility of some countries to receive funds. Administrative obstacles are being mitigated through increased efforts to cut through red tape.

101. To ensure the sustainability of ICP as a permanent Programme, it is imperative to incorporate it as part of regular work programmes at the national, regional and global levels. A dedicated task force under the Technical Advisory Group will develop an advocacy document on the uses of ICP and PPP data for policymaking to aid chief statisticians make a stronger case for integrating ICP into the regular work programme of their agencies and secure the required permanent national resources for this work. Regional implementing agencies are also urged to incorporate ICP into their regular economic statistics work programmes.

IX. Conclusion

102. The implementation of the ICP 2017 cycle is under way in all regions and various governance, capacity-building and research activities have been conducted. However, challenges and risks still lie ahead. Data collection and submission delays in some regions and countries pose risks to the timeliness, coverage and quality of the Programme's results.

103. Nevertheless, certain challenges also bring opportunities. At its forty-eighth session, the Statistical Commission urged participating countries to integrate the Programme's activities into their regular work programmes and budgets. Having policymakers understand how the Programme's data can be used for national policymaking will make this goal easier to achieve. In this regard, various knowledge and advocacy activities outlined in the present report, as well as several ICP research agenda topics, address the importance of PPPs and their related measures to policymaking.

104. Looking beyond the ICP 2017 cycle, preparations for the ICP 2020 cycle need to begin in 2019. This includes ensuring that the necessary funding and administrative arrangements are in place to allow for data collection to take place effectively and without delay.

105. The global, regional and national implementing agencies remain dedicated to mitigating all risks to help achieve the immediate goal of a successful 2017 cycle, as well as the long-term goal of a sustained and permanent ICP.

106. **The Commission is requested:**

(a) **To take note of the progress made in implementing the 2017 cycle and outstanding risks;**

(b) **To urge national, regional and global agencies to complete the 2017 cycle activities without further delays, to ensure the timeliness of the 2017 results;**

(c) **To advise ICP stakeholders to initiate preparations for the 2020 cycle;**

(d) **To impress upon national, regional and global agencies the need to incorporate ICP into their regular statistical work programmes, so as to ensure its sustainability as a permanent programme.**